

Draft Annual Report 2018/19

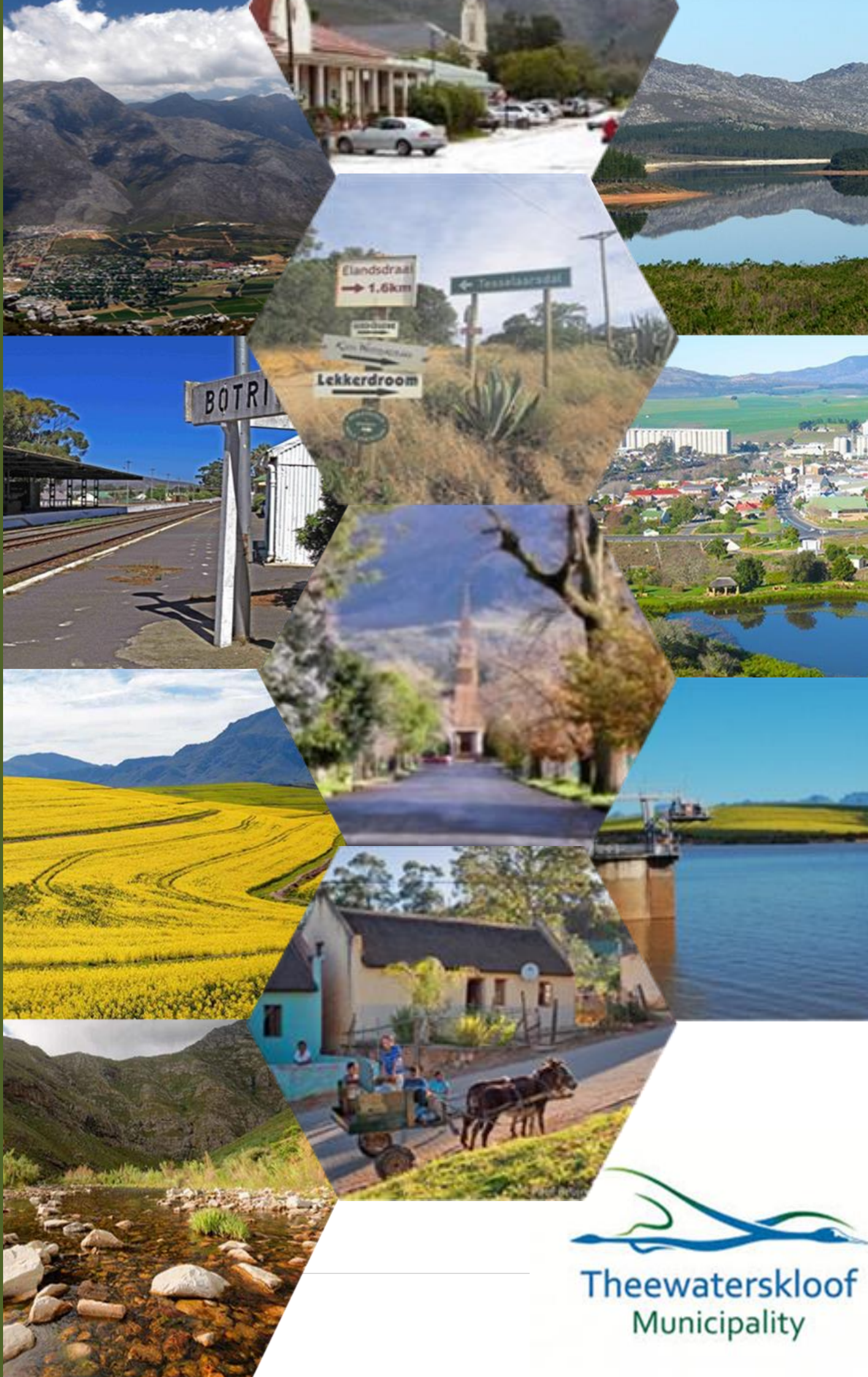


Table of Contents

CHAPTER 1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	6
COMPONENT A: MAYOR'S FOREWORD	6
A. VISION	6
B. GAME CHANGERS TO ACHIEVE THE VISION	6
C. RESTRUCTURING	7
D. KEY STRATEGIC OBJECTIVES	7
E. KEY STRATEGIC OUTCOMES	8
F. KEY POLICY DEVELOPMENTS	8
G. KEY SERVICE DELIVERY IMPROVEMENTS	9
H. PUBLIC PARTICIPATION	9
I. FUTURE ACTIONS	10
J. CONCLUSION	10
COMPONENT B: EXECUTIVE SUMMARY	12
1.1 MUNICIPAL MANAGER'S OVERVIEW	12
1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	16
LEGISLATIVE FRAMEWORK	16
THEEWATERSKLOOF: AT A GLANCE	27
1.3 OVERVIEW OF TOWNS WITHIN THEEWATERSKLOOF MUNICIPALITY JURISDICTION	29
BOTRIVIER	29
CALEDON	29
GRABOUW	30
GREYTON	31
GENADENDAL	31
RIVIERSONDEREND	32
TESSELAARSDAL	32
VILLIERSDORP	32
1.4 NATURAL RESOURCES	34
1.5 SERVICE DELIVERY OVERVIEW	35
1.6 FINANCIAL HEALTH OVERVIEW	36
1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW	42
1.8 STATUTORY ANNUAL REPORT PROCESS	43
CHAPTER 2 – GOVERNANCE	44

INTRODUCTION TO GOVERNANCE	44
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	45
2.1 POLITICAL GOVERNANCE	45
2.2 ADMINISTRATIVE GOVERNANCE	50
COMPONENT B: INTERGOVERNMENTAL RELATIONS	52
2.3 INTERGOVERNMENTAL RELATIONS	52
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	55
2.4 COMMUNICATION, PARTICIPATION AND FORUMS.....	56
2.5 IDP PARTICIPATION AND ALIGNMENT	65
COMPONENT D: CORPORATE GOVERNANCE.....	65
2.6 RISK MANAGEMENT.....	65
RISK MANAGEMENT COMMITTEE	67
RISK ASSESSMENTS.....	67
STRATEGIC RISKS FOR THE MUNICIPALITY.....	68
RISK POLICIES AND STRATEGIES	69
2.7 ANTI-CORRUPTION AND FRAUD.....	70
2.8 AUDIT COMMITTEE	72
2018/2019 ANNUAL REPORT OF THE PERFORMANCE AUDIT AND AUDIT COMMITTEE	75
2.9 SUPPLY CHAIN MANAGEMENT	82
2.10 BY-LAWS	83
2.11 WEBSITE	83
2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....	84
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	85
INTRODUCTION	86
LEGISLATIVE BACKGROUND	86
PERFORMANCE SUMMARY	87
2018/2019 PERFORMANCE RESULTS.....	88
SDBIP 2018/2019: TOP LAYER SDBIP REPORT	91
COMPONENT A: BASIC SERVICES	126
3.1 WATER PROVISION	126
3.2 WASTE WATER (SANITATION) PROVISION	133
3.3 ELECTRICITY	137
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTION, WASTE DISPOSAL, CLEANING AND RECYCLING).....	142

3.5 HUMAN SETTLEMENTS.....	146
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT	154
COMPONENT B: ROAD TRANSPORT	157
3.7 ROADS	157
3.8 TRANSPORT (INCLUDING VEHICLE LICENCING & PUBLIC BUS OPERATION)	161
3.9 WASTE WATER (STORMWATER DRAINAGE)	163
COMPONENT C: PLANNING AND DEVELOPMENT	165
3.10 INTRODUCTION TO PLANNING AND DEVELOPMENT	165
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	169
COMPONENT D: COMMUNITY & SOCIAL SERVICES	180
INTRODUCTION TO COMMUNITY & SOCIAL SERVICES.....	180
3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC).....	184
3.13 CEMETORIES AND CREMATORIIUMS	187
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES.....	188
COMPONENT E: ENVIRONMENTAL PROTECTION	188
3.15 POLLUTION CONTROL	188
3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)	190
COMPONENT F: HEALTH	190
3.17 CLINICS	190
3.18 AMBULANCE SERVICES.....	190
3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC.....	190
COMPONENT G: SECURITY AND SAFETY.....	191
3.20 TRAFFIC.....	191
3.21 DISASTER MANAGEMENT.....	194
COMPONENT H: SPORT AND RECREATION.....	196
3.22 SPORT AND RECREATION	196
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES.....	200
3.23 EXECUTIVE AND COUNCIL	200
3.24 FINANCIAL SERVICES	202
3.25 HUMAN RESOURCE SERVICES.....	207
3.26 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES.....	208
3.27 PROPERTY MANAGEMENT	211

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)	214
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	215
4.2 MANAGING THE MUNICIPAL WORKFORCE	217
4.3 INJURIES, SICKNESS AND SUSPENSIONS	218
4.4 PERFORMANCE REWARDS	220
4.5 SKILLS DEVELOPMENT AND TRAINING	221
4.6 EMPLOYEE EXPENDITURE	224
CHAPTER 5 – FINANCIAL PERFORMANCE	226
5.1 INTRODUCTION	226
5.2 STATEMENTS OF FINANCIAL PERFORMANCE	230
5.3 GRANTS	234
5.4 ASSET MANAGEMENT	236
5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	240
5.6 INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET	245
5.7 CAPITAL EXPENDITURE	246
5.8 SOURCES OF FINANCE	249
5.9 CAPITAL SPENDING ON 5 LARGEST PROJECTS	251
5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	252
5.11 CASH FLOW	253
5.12 BORROWING AND INVESTMENTS	254
5.13 PUBLIC PRIVATE PARTNERSHIPS	257
5.14 SUPPLY CHAIN MANAGEMENT	257
5.15 GRAP COMPLIANCE	257
GLOSSARY	273
APPENDICES	275
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	275
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	277
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE	279
APPENDIX D – FUNCTIONS OF MUNICIPALITY	280
APPENDIX E – WARD REPORTING	282
APPENDIX F – WARD INFORMATION	286
SERVICE DELIVERY PRIORITIES FOR WARD	287
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0	290

APPENDIX H –CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	293
APPENDIX I – MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE	294
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	295
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	296
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE	296
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE.....	297
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG.....	298
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES	299
APPENDIX M (i): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME	301
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME	302
APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0	303
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0	306
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS	308
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	309
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	310
APPENDIX S – MFMA SECTION 71 RETURNS NOT MADE DURING YEAR 1 ACCORDING TO REPORTING REQUIREMENTS.....	310
APPENDIX T – NATIONAL AND PROVINCIAL AND LOCAL GOVERNMENT STRATEGIC ALIGNMENT	311
VOLUME II: AUDITED ANNUAL FINANCIAL STATEMENTS.....	312

Chapter 1 Mayor's Foreword and Executive Summary

COMPONENT A: MAYOR'S FOREWORD



A. VISION

In the second quarter of the financial year under review, 2018/2019, Council held a strategic session to determine the status of the implementation of the Municipal vision and goals for the fourth term of the municipality, 2017 - 2022.

Various levels of success with implementation were identified but a number of key goals and especially the timeline to develop, implement and finalize the restructuring of the Macro and Micro Corporate Structures were not reached.

Council developed an accelerated plan and timeline for the implementation of a number of strategic goals and most of these were reached by the end of the 2018/2019 year.

The municipal vision is to create "A Theewaterskloof where all of its people and key stakeholders are working together in establishing and developing a sustainable environment within which all of its people can live in peace, harmony and dignity and an economy able to create working and wealth opportunities for all."

By the end of the year under review the accelerated implementation of the vision, goals and a number of processes created a sustainable platform "to create and sustain an environment which shall enhance the socio- economic development capacity and impact of the Theewaterskloof Municipality in accordance with the Municipal Vision."

The implementation of the Municipal Term Vision is in line with the Theewaterskloof Municipal 2030 Vision:

"In 2030 Theewaterskloof will be a desirable place to live, work and visit; a high quality sustainable country environment; and a connected and creative community."

B. GAME CHANGERS TO ACHIEVE THE VISION

In 2018/2019 Council and the Municipal Administration identified and implemented solutions for several game changing challenges and opportunities. Progress made in the year under review laid a foundation to make the municipality a developmental organ of state. The municipality increased its ability and capacity to deal with various challenges:

- Community based discontent and subsequent actions such as protests.
- The massive impact of in migration to Theewaterskloof.
- Achieving an environment in which all people work together.
- Maintain municipal sustainability.
- Maintain service delivery sustainability.
- Develop sustainable municipal, community and local economic development and growth.

Progresses were made to create and develop key stimuli that will enable the municipality to make progress with the development of environments capable of achieve the following:

- All people live in dignity
- All people live in harmony, despite diversities.
- All people live in peace.
- Reduced gap between stakeholder expectations and municipal institutional capacities.
- Realistic public expectations.
- Effective stakeholder management.

Despite a rapidly changing environment in which municipalities must conduct their businesses, Theewaterskloof Municipality attained notable positive outcomes for a number of game changers:

- Financial, infrastructure and service delivery sustainability.
- Fast-tracking and supporting of municipal, community and economic growth and development.
- Maintaining political stability during elections.
- Maintain a sustainable municipal administration.
- Manage land invasions and the rapid development of informal human settlements.
- Reducing the gap between municipal capacities and public expectations.

C. RESTRUCTURING

Restructuring of the organisation was implemented to achieve game changes; and the vision of institutional, community and local economic growth and development. The restructuring model was adopted by Council in the 2016/2017-year. Implementation occurred in the 2017/2018 and 2018/2019 years.

More or less 75% of the restructuring process was completed in the year under review and the process will be finalised in 2019/2020.

Unforeseen external influences which absorbed administrative and Council capacities and energies delayed the restructuring timelines:

- Land grabs and an escalation of informal settlement areas and an increase of these areas to 24.
- mSCOA compliance.
- Escalating levels of migration of people to TWK
- Escalating institutional capacity constraints and shortages in the towns.
- High levels of theft and vandalism of municipal assets.
- Shrinking income from national government.
- Ratio of the paying public versus indigent families – 60:40.
- Vacancies in top management.

D. KEY STRATEGIC OBJECTIVES

The overall strategic objective is to succeed with the eleven elements of development and growth.

- Develop and grow municipal sustainability.

- Develop and grow constructive and value adding participation and cooperation of the entire municipality's people and its key stakeholders.
- Develop conditions in which all communities can live in dignity.
- Develop conditions that will create and sustain harmony in all communities.
- Develop conditions in which all people can live in peace.
- Develop solutions and conditions in terms of which the risks and impact of the migration phenomenon can be mitigated.
- Develop the financial sustainability of the municipality.
- Develop the sustainability of infrastructure and bulk services capacities in terms of maintenance, replacement, upgrading and expansion.
- Develop institutional capacities and stakeholder expectations which will narrow the gap between excessive expectation and insufficient capacity.
- Develop sustainable political and administrative stability.

E. KEY STRATEGIC OUTCOMES

- Sustainable municipality.
- Developing and growing communities.
- Functional stakeholder relations and participation in a model of participative local governance.
- An environment conducive for growth and development.
- An environment of political stability and maturity.
- An effective municipal administration that provides excellent services in a milieu of growth, development and financial sustainability.
- Growing infrastructure that supports community and local economic growth and development.
- Synergy between municipal abilities and public expectations.

F. KEY POLICY DEVELOPMENTS

During the report year the municipality adjusted existing policies and developed others to comply with various pieces of legislation and to ensure good municipal governance in Theewaterskloof.

The policies that were amended include the:

- Rates Policy
- Review and approval of the Risk Management Strategy, Policy and TMC's charter for 2019/2020.
- Risk based internal audit plan for 2019/2020.
- Tariff Policy.
- Credit Control and Debt Collection Policy.
- Indigent Policy.
- Short Term Insurance Policy.
- Asset Management Policy.
- SCM Policy.

During the report year the municipality amended a number of by-laws and developed others to uphold good governance practises in various municipal competencies.

Council also approved the budget for 2019/2020 and the two outer years; whilst it also approved the Delegation Register and the Rates By-Law.

In accordance with notice, number 1057 of the Government Gazette of 16 September 2016, issued by the Director General of the National Department of Water and Sanitation, water restrictions had been implemented in the entire area of Theewaterskloof Municipality; thus forcing Theewaterskloof to implement water restrictions and drought water tariffs, with effect from 1 November 2016. These restrictions continued right through the 2018/2019 financial year.

G. KEY SERVICE DELIVERY IMPROVEMENTS

Service delivery is largely based on infrastructure and in this regard the municipality had to mitigate several challenges that relates to insufficient bulk services infrastructure.

The municipality identified a need to upgrade existing infrastructure which is on the verge of collapsing, to increase the capacities of existing infrastructure and to build new and additional infrastructure. Insufficient funding remains a challenge and the municipality could still not create a reserve funds from which infrastructure can be upgraded and built.

Infrastructure and bulk services capacities were maintained and in certain instances also upgraded in accordance with an infrastructure development plan and register and the budget for the 2018/2019 financial year.

The Capital Budget were primarily spent on maintenance and upgrades off sewerage, refuse, water, electricity, roads and storm water, housing and libraries.

Unfortunately the municipality, in this year, suffered from severe incidents of vandalism of infrastructure and the theft of municipal assets.

It is my assessment that the communities still do not regard these losses as their losses and that they also do not understand that the cost of theft and vandalism especially affects the poor.

Repair and replacements of vandalized assets are not budgeted for and are funded at the expense of other service delivery votes.

The municipality owns pieces of land that is utilized for sport disciplines like rugby, soccer, golf, tennis, squash, pigeon flying and bowls. These facilities are in Caledon, Botrivier, Villiersdorp, Grabouw, Greyton, Genadendal, Riviersonderend, Boschmanskloof, Bereaville and Voorstekraal.

In most cases these facilities are maintained by the municipality; whilst it is often upgraded or repaired.

H. PUBLIC PARTICIPATION

The municipality adhered to various pieces of public participation legislation and policies to comply with legal requirements to make development plans and services more relevant to local needs and requirements, to take responsibility for services and to promote community actions and to empower local communities to have better control over their lives and livelihoods.

The municipal approach to public participation allows for compliance with the principles of inclusivity, diversity, building community participation, transparency, integration, flexibility, accessibility and accountability. This approach is especially relevant in the IDP

and Budget drafting processes. This year the normal public participation processes were extended to stakeholder meetings and local economic sector and development budgetary interventions.

The municipal focus on community development and growth includes interventions to broaden democracy by involving communities in third tier governance. The focus ensures that policy framework are in place for public participation and that mechanisms exists for the public to participate in local government.

Council upheld and monitored client care and community development strategies to create functional relations between the client; and the municipal administration and political authority.

I. FUTURE ACTIONS

The future of sustainable municipal governance and service delivery in Theewaterskloof hinges on the successful implementation of the restructuring model; mitigating of the eleven key challenges and matters facing the municipality and achieving the anticipated and needed outcomes. In 2019/2020 further interventions will be implemented to accelerate organisational restructuring.

The municipality will focus on long term effective and sustainable governance in Theewaterskloof; i.e. institutional development, community growth and local economic enhancement.

The emphasis on future actions will be to contribute towards the establishment of happy communities who are socially developmental and in partnership with the local government. Interventions will be launched to involve role-players in local governance and to partner with these role-players in the development and growth of Theewaterskloof.

All future actions will aim to enhance the socio economic and welfare profiles of communities, local economic growth and development and a developmental third tier government.

Actions will be launched to manage financial sustainability, semigration, collapsing infrastructure, public expectations and communities who are socially and economically challenged.

The focus will by and large also be on the stabilization of basic services in the municipality's 24 informal human settlements.

J. CONCLUSION

Local government is where the people and the leaders of the country meet on ground level; it is also the place where people articulate their most basic needs. In the past year the municipality created good relationships and communication tools with the people of Theewaterskloof.

There is understanding for the need to create an environment where the people can live and play with greater freedom.

To facilitate this, the municipality adopted, as primary driving forces, the challenge to become developmental as suggested by the National Development Plan and the Provincial Development Strategies.

As the Executive Mayor of Theewaterskloof Municipality I treasure the people of the municipal area who provide us an opportunity to serve them.

I treasure a committed Mayoral Committee, Council and administration.

I praise The Lord for guiding us in a robust municipal environment and for making it possible for us to not only pursue and achieve the improbable but often also the "impossible".

Alderman Christelle Vosloo
Executive Mayor
2018/2019

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW



In 2018/2019 Theewaterskloof Municipality, in the delivery of all its functions, complied with the Local Government: Municipal Systems Act 32 of 2000 and the Local Government: Municipal Structures Act 117 of 1998.

The 2017/18 report year was marked by unique challenges that posed threats to sustainable institutional management, service delivery and relations between the municipality and its clients.

Key influences on the municipality

The 6 most critical internal and external influences on the municipality were:

1. Reduced national government subsidies for indigent families who are now representing 60% of the Theewaterskloof population. Reduced contributions to the Indigent Funding Scheme; Municipal Infrastructure Grant (MIG); and Housing.
2. Public dissatisfaction and related community displeasures that manifested in protests and a relatively low debtor collection rate.
3. A rapidly deteriorating infrastructure and the lapses in service delivery that resulted from this.
4. Mass migration of people to Theewaterskloof.
5. Rapidly expanding informal settlements and land invasions – there are 24 informal human settlements in Theewaterskloof.
6. Adverse social behaviors, especially the vandalizing of municipal assets, as a result of escalating poverty.

Holistic sustainability challenges slowed processes to align the administration with Council's growth and development vision.

Audit outcome

After receiving clean audit outcomes for several years, the Auditor-General issued an unqualified audit outcome to Theewaterskloof Municipality for the 2017/2018 financial year. Moving from a clean to an unqualified audit has to do with a specific Supply Chain Management procedure. The municipality applied this procedure in a manner that earned the authority clean audit outcomes for the previous three years. **The municipality however regained its clean audit status in 2018/19.**

The AG was aware of the municipal application of the procedure and found nothing wrong with it for three years. In 2018/2019, the AG apparently changed its mind about the interpretation of the procedure and this resulted in an unqualified audit outcome.

The audit outcome does not hint towards inadequate financial management, non-compliance or maladministration. The way the municipality applied the procedure had a cost savings effect for the municipality.

IDP and SDBIP

In the financial year under review the municipality developed an SDBIP that reflected the organizational Micro and Macro structure. The structure was implemented incrementally and only finalized in the first outer year of the report period. This made it difficult for the administration to be SDBIP compliant at all times. However, the municipality maintained its high compliancy percentages and bar a few insignificant exceptions all predetermined SDBIP outcomes were met.

The IDP reflects the inputs of communities, role-players and stakeholders, the organizational corporate administration, council, ward committees and town forums. In the planning, drafting and debriefing phases of the IDP the public had ample opportunities to make inputs and to express their desires and needs. Subsequently the IDP and its incorporation in the budgets captures the needs of the broader Theewaterskloof community.

The IDP process complied with high levels of integrity and transparency and the public was throughout alerted to the fact that only a small percentage of their needs would show in the budgets. In the debriefing sessions it was clear that the communities understood the financial constraints of the municipality and that the best intervention, to generate more opportunities, will result from the focus on institutional, community and local economic growth and development.

Internal audit and annual risk based audit plan

The Municipality appointed a new Performance and Audit Committee (PAC) and given the high level experience of the committee members in the fields of internal audit, performances monitoring and holistic municipal governance the local government is pleased that the Committee is exceptionally fit for purpose.

The internal audit function conducted its tasks in terms of a risk based audit plan approved by the municipal management and the PAC. Twenty-five high level audits were done and resulted in 162 findings of which only 11 were marked, "significant". The categories were housekeeping (151), significant and major. No major findings were made.

All findings were communicated with the relevant municipal functions and all corrective measures have either been implemented or the implementation thereof is monitored by the internal audit function.

The AG uses internal audit outcomes to find high risk matters which they may have missed. In this sense the audit function is assisting the AG.

Service delivery and infrastructure

The operational structures of the municipality maintained acceptable levels of service delivery and infrastructure development, upgrading and maintenance. Existing and new infrastructure enabled the municipality to support its bulk services capacities. The municipality spent its Municipal Infrastructure Grants sensibly.

Customer care

In the year under review the municipality received less funds from national government sources and had to extend its reliance on taxes and tariff income. National government is responsible to pay for the services used by indigent families. Due to a reduced contribution to municipalities the state's subsidizing of services to the poor reduced.

The municipality had to use tax and tariff income to subsidize the poor and to add to the income from national support programs such as indigent subsidies. This resulted in relative high tax and tariff levels. The fact that the paying public does not receive services that reflect their contributions to municipal income caused deteriorating relationships between them and the municipality and between the paying and non-paying public. Indigent families also believe that the basic services they receive for free are not adhering to minimum norms and as a result there is constant tension between them and the municipality.

The municipality uses forums such as the Thusong Centre in Grabouw, help desks in all town offices, Ward Committee activities and Ward Council feedback meetings to explain the municipal predicament and to improve relationships. These interventions are effective. In terms of communication with the public the municipality extended its social media footprint.

The integration of Website, Facebook and sms-communication with more traditional means of communication such as newsletters improved municipal communications with the client.

Stakeholder relations

At the end of 2016, the government adopted the vision of accelerated development and growth. The focus areas were growth and development of communities, the municipality and the economy. Subsequently the municipality also embarked on a route to develop stakeholder relationships. The focus on stakeholders adds another dimension to public participation in government interventions that will result in holistic growth and development.

In the year under review, the implementation of the vision gained momentum and laid the foundation to finalize municipal restructuring. A foundation was created to align the Municipality with the core focuses of the National Development Plan.

Financial sustainability

Municipal sustainability is not necessarily an indication of secure income sources or that these sources are adequate but it does show good political and administrative governance. In the year under review the Municipality maintained and even increased its financial sustainability indicators.

An analysis done by the Auditor General shows that Theewaterskloof is one of 96 municipalities in South Africa that remains sustainable in the long and short-term. This is not a minor achievement considering that municipalities in South Africa are generally in distress: 9 are bankrupt, but cannot pay creditors; 8 has a negative liquidity ratio and 7 reported inadequately.

Since 2006, the Municipality developed a sustainable ability to work within the constraints of its revenue and budget. This was also the case in the year under review.

The budget was limited in all respects and did not keep pace with the drastic increase in the population, and the escalation of informal human settlements. The national government reduced its contributions to municipalities, but the Municipality was able to lower its overheads and to offer as much services as possible.

Despite limited income, the Municipality sustained its sustainable and effective service delivery. To the extent that it was within the Municipality's ability, all residents received something from the budget and basic services were provided to indigent families.

Conservation of water and electricity

The municipality has a generic focus on and commitment to the responsible utilization of scarce resources. Theewaterskloof faced and dealt adequately with one of the fiercest droughts in its history. In the year under review the dam levels in Theewaterskloof increased substantially as a result of good winter rains.

The municipality reduced its Water Restrictions Level. The municipality is a limited distributor of electricity but is aware of the loss of large quantities of electricity due to theft. Illegal electricity connections in informal residential areas and those on land that had been invaded unlawfully is becoming endemic.

The municipality believes the electrification of human settlements is the only solution for electricity problems in communities and after the municipality cooperated with ESKOM, the latter adopted an electrification program for a number of Informal Settlements.

Future challenges

The municipality identified several key matters to be dealt with in 2018/2019:

1. Support and facilitate community and economic growth and development.
2. Creating an environment in which people can live peacefully and in safety.
3. Support the development of political stability, especially as the country and Theewaterskloof is in a continuous cycle of national, provincial and municipal elections; as well as by-elections.
4. Deal effectively with the immigration of people from other provinces and districts to Theewaterskloof.
5. Deal effectively with ageing infrastructure as to ensure continued service delivery.
6. Down manage the gap between municipal abilities and capacities and public expectations from the authority.

Final remarks

I thank the Executive Mayor, Alderman Councilor Christelle Vosloo and her Committee, for supporting administration.

I thank Council for its inputs and for the political stability they created.

I thank my management team and their employees who performed a great job under testing circumstances.

I thank the communities and stakeholders who worked with the municipality to grow and develop the organization; as well as communities and the economy.

I thank our Heavenly Father for his guidance.

Gerrit Matthyse
Municipal Manager
2019/08/16

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

LEGISLATIVE FRAMEWORK

The content of the Annual Report is legislated in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), which prescribed that a municipality must prepare an Annual Report for each year. While the report provides Theewaterskloof's stakeholders and interested parties with comprehensive information about the administration's financial, operational, social and environmental performance for the 12 months under review namely 01 July 2018 to 30 June 2019, it also focuses on progress made against the Integrated Development Plan objectives, a new version which is compiled every 5 years and thereafter annually reviewed.

Section 121(2) of the Municipal Finance Management Act (MFMA)

The purpose of the Annual Report is

- a) to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- b) to provide a report on performance in service delivery and budget implementation for the financial year;
- c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- d) to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

The constitution schedule 4(B) and 5(B) outlines specific municipal functions, it is therefore important for a municipality to reflect within its annual report on the functions applicable to them.

MUNICIPAL FUNCTIONS	Function Applicable to Theewaterskloof (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	No
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No

Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
<u>Constitution Schedule 5, Part B functions:</u>	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

1.2.1 INTRODUCTION TO BACKGROUND DATA

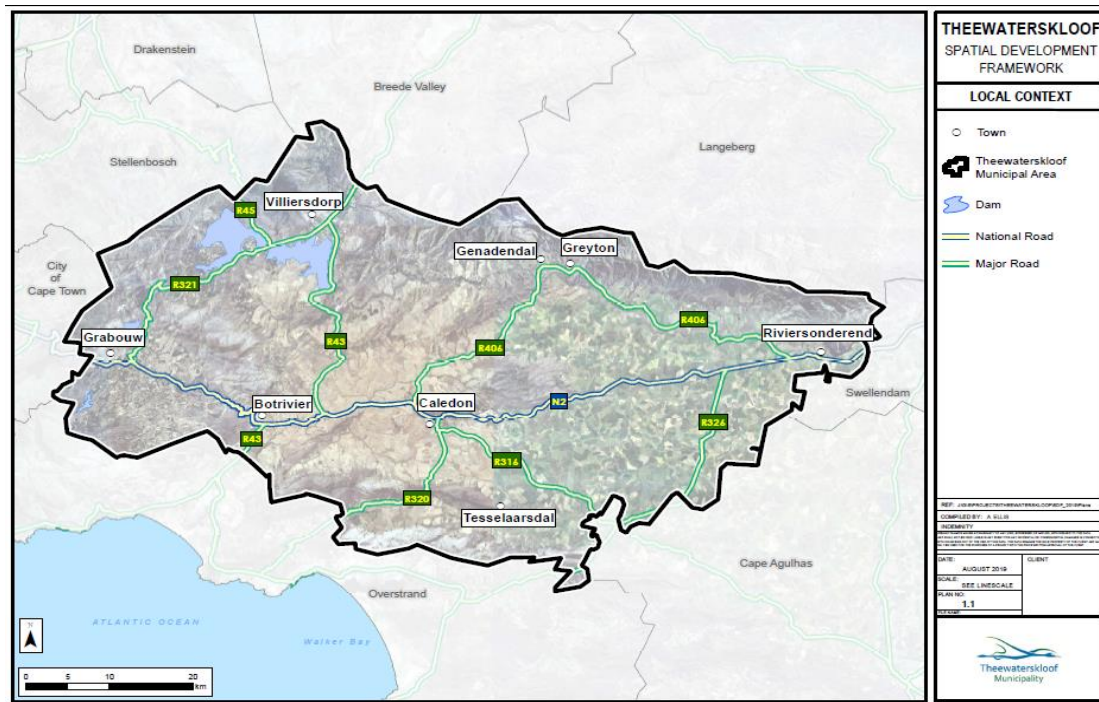
ANNUAL REPORT AND DATA SOURCES

The 2018/19 Annual Report reflects on the performance of the Theewaterskloof Municipality for the period of 1 July 2018 to 30 June 2019.

It should be noted that due to the fact that Census are conducted once every 10 years, with the last census conducted in 2011 and the next one only scheduled for 2021, the document will use various sources to ensure that we have the most updated, reliable and specific data sets for readers. The most common sources of information (used in the annual report) are sources such as Census 2011, Community Survey 2016 (The Community Survey 2016(CS) is a large-scale survey that happens in between Censuses 2011 and 2021), the Social Economic Profile 2018 (SEP 18) and The Municipal Economic Review Outlook 2019 (MERO).

The only data source that provide data at ward level is the 2011 Census, the subsequent Community survey 2016 only provide data at municipal level and in very limited categories provide data at town level.

The Theewaterskloof Local Municipality is a Category B municipality situated in the Overberg District in the Western Cape Province. It is one of four municipalities in the district, making up a third of its geographical area.



Theewaterskloof Municipality is the gateway to the Overberg and is surrounded by unique natural assets such as the Theewaterskloof Dam, Kogelberg Biosphere, illustrious vineyards, crop and fruit fields, fynbos, wild flowers and blue cranes. With its Local Economic Development Strategy (LED strategy), the municipality is constantly driving local economic development in primary economic sectors such as agriculture, tourism, agricultural product processing, and industries.

Despite a relatively poor community and a narrow capacity for tax and income generation, the municipality is constantly improving infrastructure for service and product delivery. The municipality's Integrated Development Programme was developed in partnership with local business, communities and individuals. The municipality was the first to implement Service Level Agreements in all its towns to narrow the gap between community services needs and municipal service delivery abilities. The municipality created capacities for holistic and quality developments, i.e. sewerage removal, quality water, housing, communication, waste removal and infrastructural maintenance.

In addition, the municipality participated in processes that led to a peaceful and safe environment where the welfare of everyone, and especially that of women and children, is highly valued and pursued. The municipality has a successful town management model that ensures that local government and democracy are extended to the people.

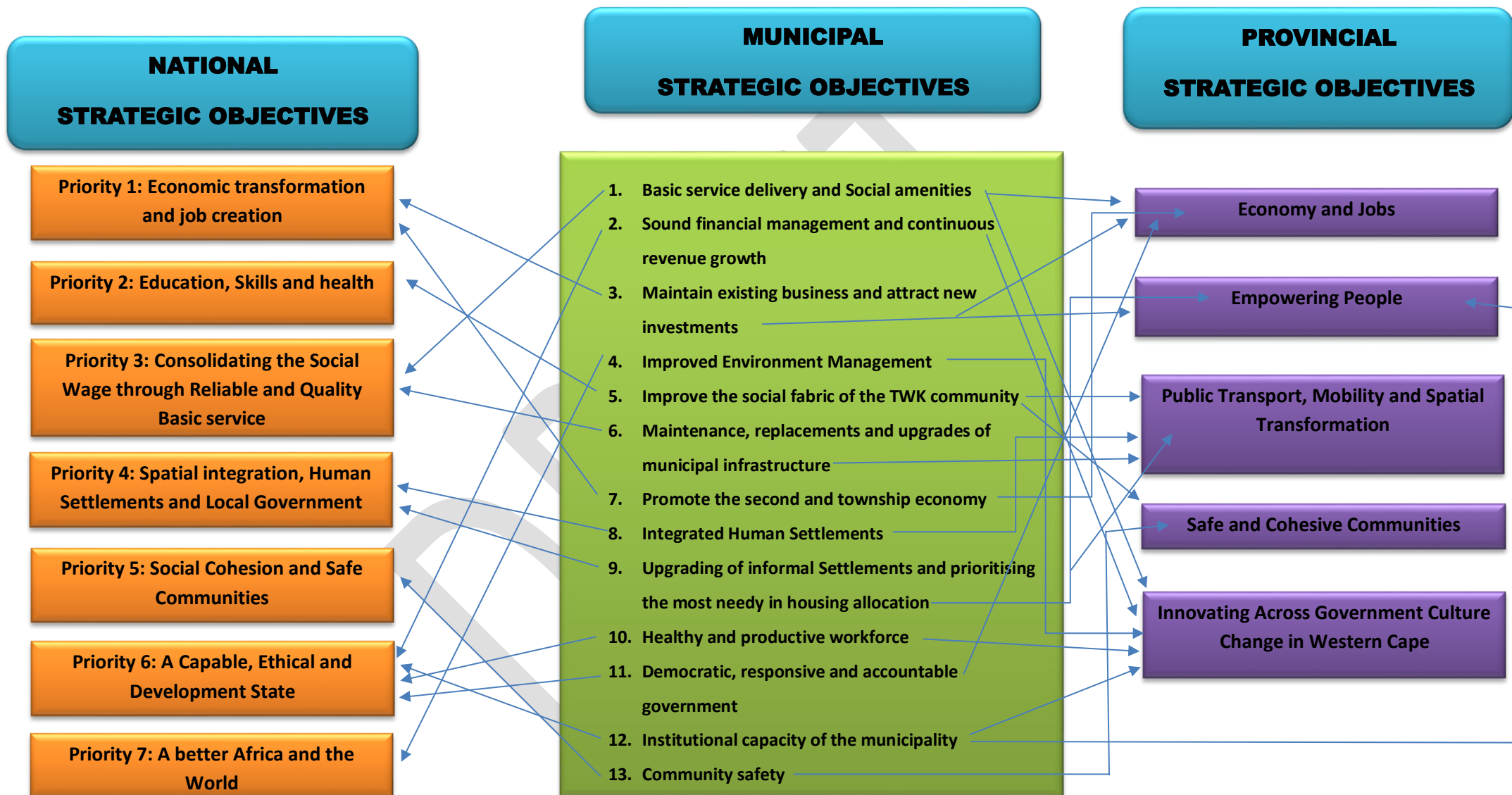
Towns: Botriver, Caledon/Myddleton, Genadendal, Grabouw, Greyton, Riviersonderend, Villiersdorp and Tessaarsdal.

Theewaterskloof jurisdiction area: 3 258km

Theewaterskloof Municipality committed itself to the following vision:



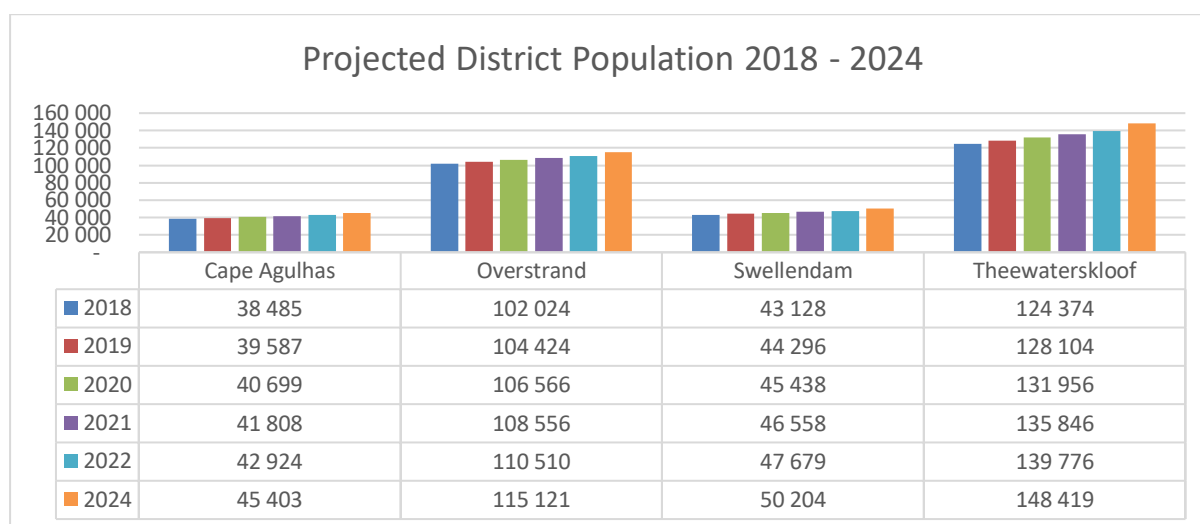
THE WATERSKLOOF STRATEGIC OBJECTIVES AND INTERGOVERNMENTAL ALIGNMENT



1.2.2 POPULATION

Most Recent Population Data

Department of Social Development most recent estimates (as contained the SEP 2018) indicates that Theewaterskloof's population will grow from 124 374 in 2018 to 148 419 in 2024. This total equates to average annual growth of 3 percent and a 16.2 percent increase over the before mentioned period using 2018 as the base estimate. The Census 2011 estimates the population Growth of Theewaterskloof to be 1.54 percent, considerably lower than the estimate of other sources inclusive of the SEP 2018.



****SEP (Social Economic Profile)**

The table above indicates that Theewaterskloof has approximately 22 350 residents more than its neighbouring municipality, Overstrand, rendering it by far the largest population within the Overberg District. It is further estimated that Theewaterskloof will continue to host the largest part of the population, during the above mentioned term (2018 – 2024) continuously representing above 40% of the population in the region. Certain sources contradict the above mentioned data e.g. the Municipal Economic Review Outlook ((2019) MERO) indicating that Overstrand has a higher population growth than that of Theewaterskloof, however all sources and research indicate that TWK will continuously host the largest part of the district population.

All local intelligence indicates that even those of our sources that contain the highest estimates reflect an understatement of the population and population growth. A recent estimate by a local community organisation (Greyton Council) already estimate the TWK population to be above 140 000 and indicating that Grabouw Host about 41% of the total population. Though much higher than official sources, there are even local organisation that feel this too is an under estimate, certain local's feels that Grabouw alone account for more than 100 000 residents. This could be justifiable looking at the rapid expansion of "Siyanyanzela" where a new ward was established literally overnight.

This growth rates in Theewaterskloof poses huge challenges on the service delivery for Theewaterskloof, based on even the lowest average annual growth rates of 1.5% (Stats 2011), the population of Theewaterskloof will increase by more than 1800 residents per annum. Taking an average household size of four, this equates to about an additional 450 households that would require services. The problem is intensified due to the fact that most of the growth into the area is deemed to fall within the category of indigent households.

1.2.2.1 TOTAL POPULATION

Stats SA remains the only recognised organisation/source that supplies population data. Other data sources are used to make projection, cross tabulations and improve planning, however the statistics provided by Stats SA remains the only official set of population data. The significance of this to municipalities lies in the fact that National and Provincial Treasuries and Departments use official statistics when allocating resources.

MUNICIPALITY	CENSUS 2001	COMMUNITY SURVEY 2007	CENSUS 2011	COMMUNITY SURVEY 2016	% GROWTH
Theewaterskloof	93 276	86 721	108 790	117 167	25.61%

The table above shows that the total population with the Theewaterskloof area grew by 25.61% (23 891) from 2011 to 2016 (5 years).

1.2.2.2 TOTAL POPULATION STATISTICS

The table below depict the 2011 census data in the various categories. Neither the 2016 nor the SEP 2018 provides data in the same format. 2011 Data was therefor used as a basis to do a calculation to illustrate the effect of the growth rate within the various categories post 2011. It should be noted that post 2011 Stats SA only classify four population groups:

- Black
- Coloured
- Indian/Asian
- White

“Other” has been omitted from future census and/or Surveys.

Ward	Black	Coloured	Indian or Asian	White	Other	Grand Total
1	1 395	6 222	38	1 535	65	9 256
2	312	7 246	41	697	148	8 443
3	1 402	9 277	24	398	74	11 174
4	1 180	3 348	29	2 487	59	7 102
5	4 188	5 369	101	1 868	101	11 627
6	2 711	3 846	18	85	146	6 805
7	1 685	5 806	28	620	83	8 223
8	2 603	2 450	0	7	6	5 066
9	2 018	5 581	22	373	2	7 995
10	1 409	3 874	10	553	58	5 904
11	2 072	2 814	21	363	23	5 293
12	3 070	4 318	14	161	14	7 576
13	4 713	8 326	42	1 025	218	14 325
Grand Total	28 757	68 478	387	10 173	995	108 790¹

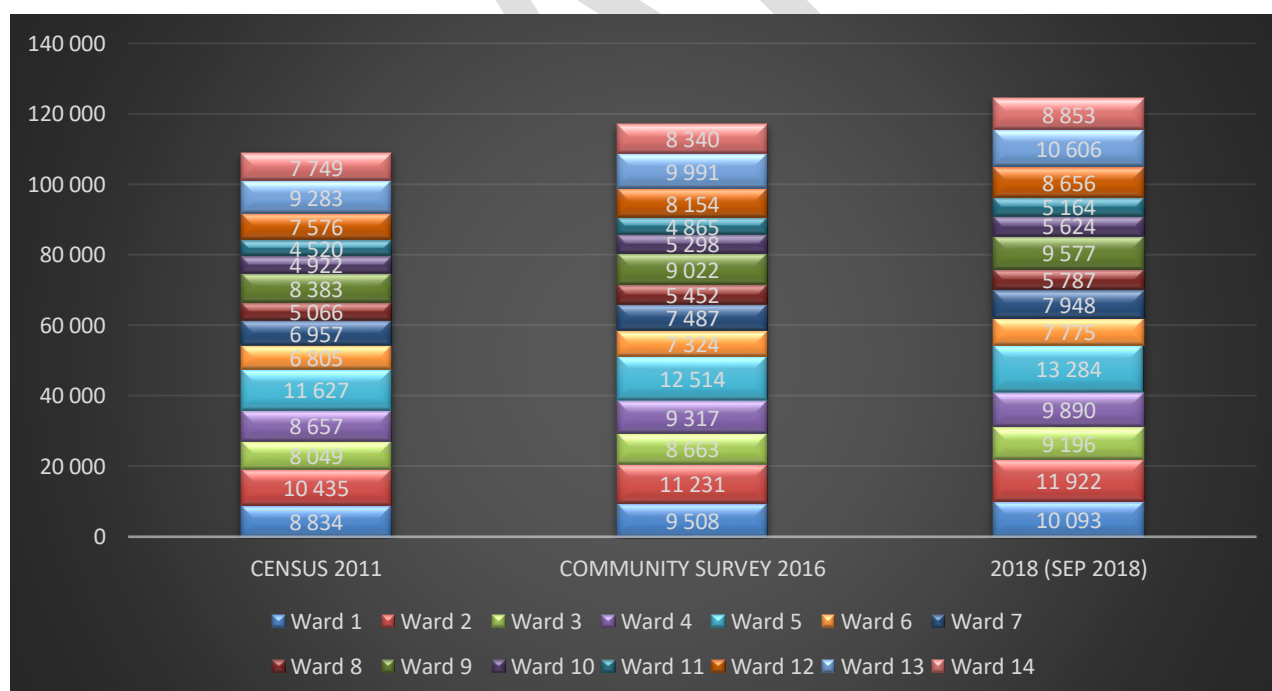
Using a tool provided by Stats SA, we were able to depict the 2011 census data within the 2016 boundaries. Using growth percentage between census 2011, community Survey 2016

¹ Note that the table above makes reference to 13 wards, Theewaterskloof currently has 14 wards. The 14th ward was added just prior to the 2016 elections. The statistical data for ward 14 does not exist in the 2011 census. On page 18 a tool provided by Stats SA was used to get population figures for Ward 14.

and SEP 2018 a calculation could be made to provide comparative figures throughout the years where we have data available.

It should however be noted that this is only for illustrated/comparative purposes and based on the assumption that growth for the total area are equal or similar in the individual wards.

WARDS	TOWNS	CENSUS 2011	COMMUNITY SURVEY 2016	2018 (SEP 2018)
Ward 1	Riviersonderend	8 834	9 508	10 093
Ward 2	Greyton/Genadendal	10 435	11 231	11 922
Ward 3	Caledon	8 049	8 663	9 196
Ward 4	Caledon	8 657	9 317	9 890
Ward 5	Villiersdorp	11 627	12 514	13 284
Ward 6	Villiersdorp	6 805	7 324	7 775
Ward 7	Botrivier	6 957	7 487	7 948
Ward 8	Grabouw	5 066	5 452	5 787
Ward 9	Villiersdorp	8 383	9 022	9 577
Ward 10	Grabouw	4 922	5 298	5 624
Ward 11	Grabouw	4 520	4 865	5 164
Ward 12	Grabouw	7 576	8 154	8 656
Ward 13	Grabouw	9 283	9 991	10 606
Ward 14	Grabouw	7 749	8 340	8 853
TOTALS		108 864	117 167	124 374



1.2.2.3 POPULATION CHARACTERISTICS

Various sources indicate various projected growth rates for the Theewaterskloof area:

Census 2011: 1.54%

Community Survey 2016: 1.52% (2011 – 2016)

SEP 2018: 3% (2018 – 2024)

POPULATION GROUP	2001	2011	2016	%GROWTH	% OF 2016 TOTAL POPULATION
African	21 204	28 757	29 005	36.79%	24.76%
Coloured	61370	68 478	76 374	24.45%	65.18%
Indian/Asian	165	387	578	250.30%	0.49%
White	10 540	10 173	11 210	6.36%	9.57%
Other		995			0
Total Growth %			117 167	25.61%	100.00%
Population Density Per Square Km	35 persons km ²				

The Coloured racial group was the largest group within the municipality in both 2001 (61 370) and 2016 (76 374), showing a 24.45 percent growth rate (2001 – 2016). The Indian/ Asian Population group has the largest growth rate in the municipal area at 250.3%, followed by the African population group at 36.79%. The Indian/Asian Population group remains the minority in the municipal area with only 578 residents or 0.49% of the total population group. Local intelligence (Greyton Council) indicate that based on past trends the coloured population is estimated to be in the region of 55% and the black population could currently stand at 35% of the total population.

Gender Distribution

GENDER DISTRIBUTION	2001	2011	2016	%Growth
MALE	48 527	55 463	59 270	22%
FEMALE	44 749	53 327	57 898	29%
Males per 100 females	102			

Males remain the largest gender group within the municipal area (50.5%) despite females having a larger growth rate over the 15 year period. Assuming this trend continue, females could soon overtake the male population in the region.

Age Distribution and Cohorts

AGE PROFILE	2011	2016	2018	2019
0-14	25%	28%	25%	27%
15-64	69%	68%	68%	66%
65+	6%	5%	7%	8%

Theewaterskloof's age profile remained relatively consistent from 2011 through to 2018. The Statistics show that a large share of the population can be located amongst the younger population or in the working age category.

Dependency Ratio

In Theewaterskloof, this ratio was 44.2 in 2011 and increased to an estimated 52.5 in 2019. This is estimated to further deteriorate to 54.7 in 2024. This ratio expresses the dependency of people who are part of the workforce (age 15 - 65) and those, who are depending on them (children and seniors). A higher dependency ratio means a higher pressure on social systems and the delivery of basic services.

Considering the already diminishing number of paying residents within the Theewaterskloof area coupled within the influx of indigent people into the area, the dependency ratio are worth being noted and proactive mechanisms must be designed to address these issues in order to ensure that the municipality remains financially sustainable and avoid overburdening the social systems with the region.

1.2.3 HOUSEHOLDS

The total number of households within the municipal area increased from 31 952 households in 2014/15 financial year to a total of 36 084 in 2018/19 financial year².

The table below indicate the number of households as contained in the SEP 2015 and community survey 2016. In order to calculate the number of households for 2019 the projected household growth rate was used as contained in Community survey 2016 (2.9% avg annual growth).

	2015	2016	2017	2018	2019
Total number of Households in Theewaterskloof	31 952	33 118	34 078	35 067	36 084
Total number of Indigent Household	6 200	7 959	4 399	5 372	5 519
Indigent household as percentage as total households	19%	24%	13%	15%	15%
Estimated Growth rate as per Community Survey 2016	1.029				



The MERO 2019 estimates the total number of households in the area to be in the region of 31 000 this is highly disputed as the community survey conducted by Stats SA already had TWK household in excess of 33 000 in 2016.

² Municipalities own calculation based on the household growth rate between census 2011 and Community survey 2016.

1.2.4 SOCIO ECONOMIC STATUS

In addition to the information already previously displayed the following social economic indicators are deemed important. The socio-economic information for the municipal area is as follows:

SELECTED SOCIO-ECONOMIC INDICATORS IN THE, 2008 - 2017		
Indicator	Overberg	Theewaterskloof
GDPR growth (2008 -2017)	2,6 %	3,5 %
Population 2018	308 011	124 374
Unemployment 2017	10,2 %	8,8 %
Population growth (2018 – 2024)	2,59 %	2,9 %
Real GDPR per capita (2017)	R 65 588	R 60 067
Gini coefficient (2012 – 2018)	Increase	Increase
Household income	R 13 700	R 12 647
HDI (2018)	0 , 71	0,67
Matric pass rate	84,6 %	79,2 %
Grade 12 dropout rates (2017)	District Average % 44,9 %	38 %
Informal dwelling	15 640 (MERO 2019 figures)	8 351 (TWK informal dwelling figures)
Indigent households (2017)	17 713	5 372
Free basic water households (2017)	14 608	2 391
Free basic electricity households (2017)	14 293	2 076
Free basic refuse removal households (2017)	16 380	4 163
Free basic sanitation households (2017)	16 314	4097
Main causes of death (%)	Diseases of the circulatory system	
Age group with highest death rate	65+	

Theewaterskloof: At a Glance



POPULATION

124 374



HOUSEHOLDS

33 097

Education

2017



Matric pass Rate 86.8%
Learner – Teacher Ratio 44.6
Gr 12 Drop-out Rate 38.0%

Poverty

2017



Gini Coefficient 0.59
Human Development Index 0.67

Health

2017/18



Primary Health
Care Facilities

16

Immunisation
Rate

72.5%

Maternal Mortality Ratio
(per 100 000 live births)

0.1

Teenage Pregnancies –
Delivery rate to women U18

12.8%

Safety and Security

Actual number of reported cases, 2018



Residential
Burglaries

968

DUI

296

Drug-related
Crimes

2 640

Murder

86

Sexual Offences

147

Access to Basic Service Delivery

Percentage of households with access to basic services, 2016



Water

98.4%

Refuse Removal

78.7%



Electricity

92.8%



Sanitation

90.1%



Housing

77.5%



Road Safety

2017

Fatal Crashes 39
Road User Fatalities 51

Labour

2017

Unemployment Rate

10.3%



Socio-economic Risks

Risk 1 Slow Economic Growth
Risk 2 Increasing population & demand for services
Risk 3 Rising unemployment

Largest 3 Sectors

Contribution to GDP, 2016

Wholesale and retail trade, catering
and accommodation

17.7%

Finance, insurance, real estate and
business services

16.3%

Agriculture, forestry and fishing

15.5%



2
Tertiary

1 District
Hospital

5 EMS
Centres

8 ARV
Treatment
Sites

38 Primary
and Secondary
Schools

6 Police
Stations

7 Clinics, **2** Satellite
and **9** Mobile Clinics,
1 Community Day
Centre

10 EMS
ambulances

1.3 OVERVIEW OF TOWNS WITHIN THEEWATERSKLOOF MUNICIPALITY JURISDICTION³

BOTRIVIER



The small village of Botrivier is situated en route to Hermanus and Caledon, at the eastern slopes of the Houw Hoek Mountains. The Botriver hotel is the landmark in the town. The area is known for its vineyards and wine farms, with the well-known Beaumont Farm situated in the town. There is a growing tourism market linked to agri-tourism and wine tasting.

In the Growth Potential of Small Towns Study, Botrivier is classified as an agricultural service centre with medium human needs and low to very low development potential. The Municipality, in its growth study, disagrees and has identified the town as an area with possibilities for light industrial development.

CALEDON

Moving along the N2, 110km east of Cape Town is the town of Caledon. The town owes its situation to the presence of hot water springs which were the catalyst for the initial growth of the town which was later named after its Governor, the Earl of Caledon.

Caledon is a government service centre, as well as a significant agricultural service centre. The Municipal head offices are located in the town along with the regional offices for the Departments of Education, Social Development and Home Affairs.



Caledon is the centre of a broader agricultural region which produces barley, wheat and wool. Overberg-Agri, which provides services and support to the farming sector, has its head office located in Caledon. It is also home to the Anheuser-Busch InBev world's largest brewer which is the only malt producer for the South African lager beer industry and is the largest in the southern hemisphere.

While tourism in the town is limited, Caledon does have two large tourism attractions: the hot springs and Caledon Casino. The latter is one of five middle-sized casinos in South Africa. Most recently Caledon has also seen increase in Wedding Tourism, with two elegant wedding venues establishing in the town.

³ Information taken from the Community Development Strategy

In the Growth Potential of Small Towns Study, Caledon is classified an agricultural service centre known for its casino and hot springs. It is regarded as a town with low human needs and medium development potential.



GRABOUW

The Grabouw/Elgin district is the first town in the Municipal area when driving from Cape Town along the N2. It borders on the Kogelberg Biosphere reserve and the Hottentots Holland reserve. These provide excellent opportunities for adventure-based sports such as cycling. It has various conservation areas around it. The Eikenhof Dam is in the town.

The town is well known for its apples, open gardens and is increasingly becoming known as a tourist and wine

buying region. It has two popular farm stalls that attract passing visitors, Orchards and Peregrine. There are also several farm-based attractions in the surrounding areas. The Elgin tourism association is established and has a recognised brand. It is complemented by the emerging wine industry and established wine guild.

It is the largest apple growing area and produces about 60% of South Africa's export apple crop. It is also the third largest pear growing area. The valley is renowned for cultivating fresh chrysanthemums, roses and proteas. In addition to primary production, the area is also home to several agri-processing firms including Appletiser and Elgin Fruit Juices. It also has an established transport industry, with both Bosman's freight carriers and Gaffleys' busses located in the town.

In the Growth Potential of Small Towns Study, conducted by Van der Merwe in 2004, Grabouw is classified as an agricultural service centre and an apple town. It is regarded as a town with high human needs and medium development potential, using a scale of very low to very high. Residents and the DBSA both disagree with the medium potential ranking and believe the town has high growth potential.

The area has recently received a boost, being one of six pilot sustainable community sites initiated by the DBSA. The Sustainable Development Framework (SDF) for Elgin-Grabouw, developed as part of this initiative, provides a sustainable spatial vision and supporting strategies for the town.

The influx of people into the informal settlements is one of the biggest challenges for the town. The second economy operating in these informal settlement areas is survivalist in nature and often very alienated from the formal sector.

GREYTON



On entering Greyton one is immediately reminded of an Old English Village. This beautiful small town is nestled at the foot of the Riviersonderend Mountains with the Riviersonderend River on its boundary and surrounded by mountains.

It is both a lifestyle and tourism destination, while the surrounding areas are farmlands. The hotels, lodges and B&B's, are all of an exceptionally high standard. Visitors can choose between a stay in the town or on a working farm. All this, together with

Greyton's coffee shops, restaurants, art galleries etc., invites you to stay with a difference.

In the Growth Potential of Small Towns Study Greyton is classified as a retirement and holiday home base known for its village character. It is regarded as a town with low human needs and low development potential. Residents and the Municipality disagree with the classification and feel the town has development potential, although within its current spatial limits.



GENADENDAL

Genadendal, or 'Valley of Grace', was established by the Moravian Church in the mid-1700s and is the oldest mission station in South Africa. The economy of the town is dominated by 'development' projects, mostly driven by local development organizations, as well as small-scale agricultural production and subsistence gardening.

Much of the workforce relies on the surrounding fruit farms for employment, which contributes to the seasonality of the local economy. Genadendal is

located alongside Greyton, 32km off the N2 and 140km from Cape Town with the Riviersonderend Mountains to the north.

In the Growth Potential of Small Towns Study Genadendal is described as an historic mission station with residential and tourism opportunities. It is regarded as a town with medium human needs and low development potential.

RIVIERSONDEREND

Riviersonderend is situated on the N2, approximately 160km from Cape Town. Riviersonderend offers beautiful mountain and river scenery, a nine-hole golf course and sightings of South Africa's national bird, the blue crane.

In the Growth Potential of Small Towns Study, Riviersonderend is classified as an agricultural service centre with medium human needs and low to very low development potential.



kilometres from Caledon and has much to offer.

Practically every person, every cottage and even walking, hiking and mountain biking trails have a story.

There are plenty of opportunities to explore the outdoors even until deep in the night where one will discover some of the clearest Milky Way viewings in South Africa.



TESSELAARSDAL

Tesselaarsdal is the ideal getaway in which to experience unpolluted natural beauty and small-town community living at its best. Yes, the gravel road is long and a little inconvenient for urbanites but this is part of the town's tucked away charm. It compels you to slow down and immerse yourself in your surrounds; it certainly helps to authenticate Tesselaarsdal as one of those rare off-the-map experiences. Tesselaarsdal is a very convenient 21

VILLIERSDORP

Villiersdorp is situated between the N1 and the N2. To the north-west of the town lies Franschhoek, a thriving tourist destination and to the south-east lies Grabouw, the economic hub of the Municipal area. To Villiersdorp's east lies Worcester, the gateway to the northern N1. The town is well known for its major landmark, the Theewaterskloof Dam, and its agricultural activity.

Villiersdorp is part of both the Theewaterskloof Dam and the Elands-kloof Dam catchment areas situated behind the Groenland and Hottentots Holland mountain ranges and at the foot of the Blokkop Peak.

In the Growth Potential of Small Towns Study, conducted by Van der Merwe in 2004, Villiersdorp is classified as an agricultural service centre known for its fruit and mountains. It is regarded as a town with high human needs and low development potential, using a scale of very low to very high.

The most well-known landmark in the area is the Theewaterskloof Dam. The Dam is surrounded by holiday homes, a golf estate and various farms. Visitors to the dam come largely to enjoy various forms of sport – largely boating and golf. Residents complained about the absence of an attractive accessible picnic site and recreational facilities for people without their own equipment.

Agriculture is the primary economic activity. This is reflected in the primary agricultural sector and in the wholesale trade sector where many of the pack houses and the co-op fall. The dominant products are deciduous fruits.

Tourism is characterised by art, sports and business visitors, with Mel Elliot's art studio and gallery attracts steady stream of budding artists to the area.

Villiersdorp has benefited from the VPUU Partnership, whereby community structures and organisations were supported through an intensive leadership and capacity building interventions over the last 3 years. The Partnership contributed to construction of 2 focal facilities, the Resource Centre, with a Youth Café and a Toy Library.

Comprehensive spatial planning exercise has been completed, resulting in Public Investment Framework, which will form part of the local Spatial Development Framework for Villiersdorp.

1.4 NATURAL RESOURCES

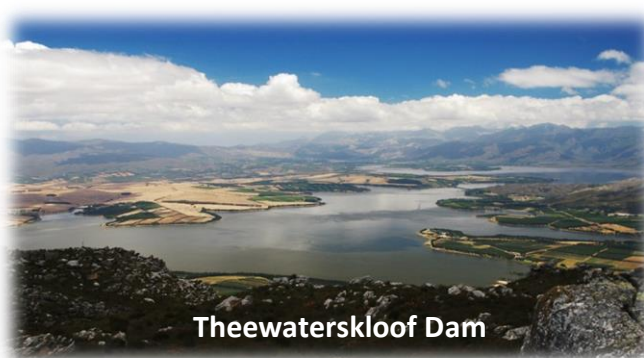
Natural Resources	
Major Natural Resource	Relevance to Community
Kommieskraal rivier	This is the main water sources for Villiersdorp.
Elandskloof	This is the main water sources for Villiersdorp.
Tesselaarsdam Mountain Stream	This is the main water sources for Tesselaarsdal.
Tesselaarsdam Borehole	This is the main water sources for Tesselaarsdal.
Bethoeskloof stream	This is the main water sources for Tesselaarsdal.
Voorstekraal Borehole	Additional Source for Voorstekraal.
Bereaville borehole	Additional Source for Bereaville.
Riviersonderend Borehole	Additional Source for Riviersonderend.
Baronsbos borehole	Additional Source for Caledon.
Greyton Nature Reserve in the Mountains of Greyton	Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants. Serve as Biodiversity hub for the community.
Caledon Wild Flower garden and Nature Reserve	Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants. People can also visit the Botanical Gardens. Serves as Biodiversity hub for the community.
Kogelberg Biosphere Reserve	Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants.
Theewaterskloof Dam	Sports & Recreation serves the community with drinking water.
T1.2.7	



Greyton Nature Reserve in the Mountains of Greyton



Kogelberg Biosphere Reserve



Theewaterskloof Dam

1.5 SERVICE DELIVERY OVERVIEW

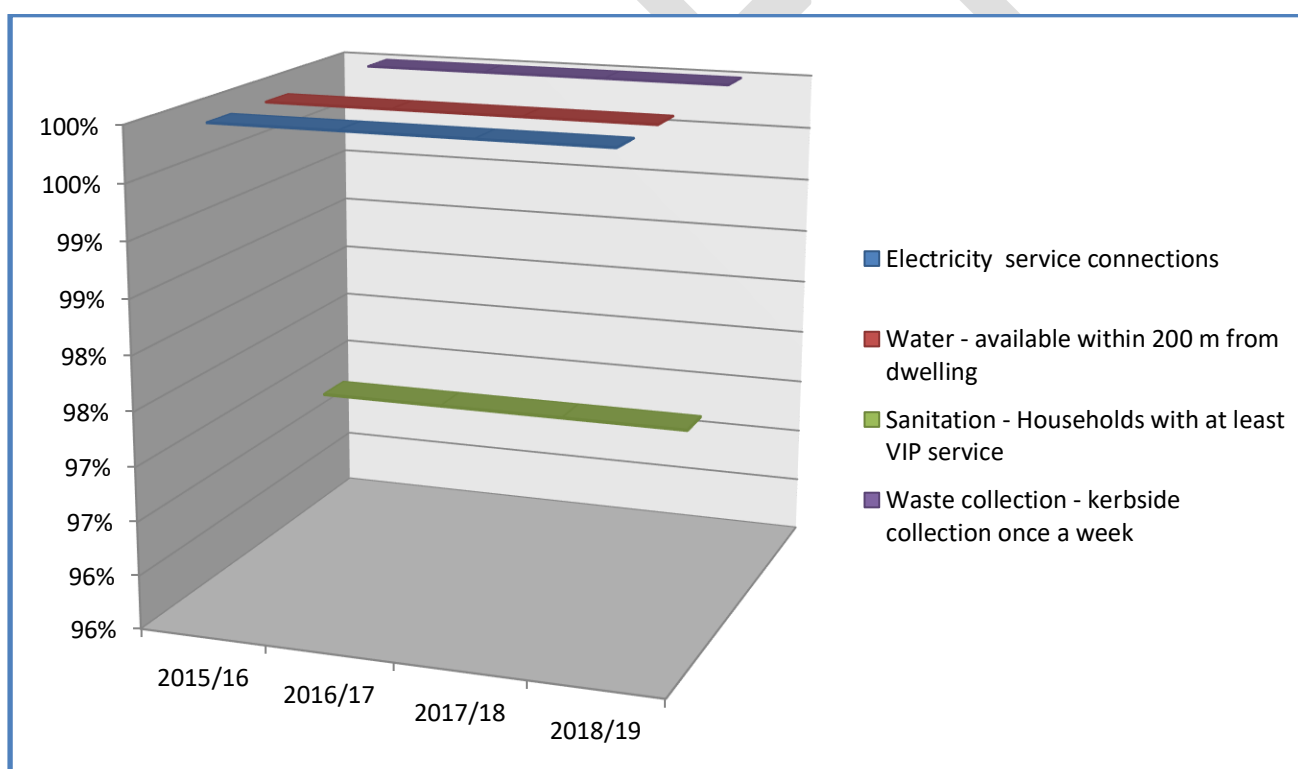
One of the objects of local government is to ensure the provision of services to communities in a sustainable manner. Basic services rendered to the community of Theewaterskloof Municipality are water, waste water, electricity, waste management and roads and stormwater. Other services are planning and economic development, environmental, housing, library, cemeteries, community, sport and recreation, traffic as well as disaster services. These services are discussed in detail in Chapter 3 of the Annual Report.

1.5.1 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

The table and graph below illustrates the proportion of households with minimum levels of basic services.

⁴Proportion of Households with minimum level of Basic services

	2015/16	2016/17	2017/18	2018/19
Electricity service connections	100%	100%	100%	100%
Water - available within 200 m from dwelling	100%	100%	100%	100%
Sanitation - Households with at least VIP service	97%	97%	97%	97%
Waste collection - kerbside collection once a week	100%	100%	100%	100%



⁴ Within Municipal area, excluding Farms , and electricity exclude households in Eskom serviced areas

1.6 FINANCIAL HEALTH OVERVIEW

1.6.1 FINANCIAL OVERVIEW

In a financial review conducted by an independent agency (Ratings Afrika) for the 2012/13 financial year, the Theewaterskloof Municipality was identified as the least financially sustainable municipality in the Western Cape. This was confirmed by the Western Cape Provincial Treasury benchmarking tool and the Municipality's own analysis of the financial position, operating results and cash flow.

The financial sustainability was subsequently at every strategic planning session of the Council considered to be one of the biggest challenges and a high priority focus area.

The table below indicates the financial viability score of the municipality over the last 7 financial years.

Financial Sustainability Index	2013	2014	2015	2016	2017	2018	2019
Operating performance	12	18	20	17	58	58	68
Liquidity management	22	46	41	35	67	71	74
Debt governance	49	57	60	68	78	82	82
Budget position	33	39	57	54	61	59	72
Financial stability	27	41	43	41	66	68	74
Affordability	43	45	46	45	45	42	48
Infrastructure development	51	40	49	36	38	47	39
Sustainability Index score	34	41	45	41	58	60	64

***** Last updated October 2019 (Ratings Afrika)

The financial viability score has increased significantly from 27 in 2012/13 to 74 in 2018/19. In comparison to the prior year; the operating performance, liquidity management and budget position have shown an improvement and had a positive effect on the financial viability rating. The municipality's cash flow position has also improved during the 2018/19 financial year which has resulted in a better liquidity ratio to within the National Treasury norm of 1.5:1. The ratio is sitting at 1.67:1 compared to 1.45:1 in the previous financial year. The ratio of interest bearing debt to operating revenue is at 18% which is well within the norm but caution will have to be exercised to keep borrowing within prudential limits given the low economic growth and revenue collection.

Despite the improvement over the past 7 years, the long term financial plan indicates that significant challenges remain valid and strict fiscal discipline and management decisions must be maintained in order to ensure longer term overall sustainability to enable us to continue to execute our core mandate of basic service delivery including promoting social and economic development. Most of the challenges existed in previous financial years and was listed in previous annual reports, however due to the nature of these challenges and the environment (government) we operate in, finding solutions to these challenges and implementing them, takes time, effort and in certain instances additional resources. The most critical challenges to the financial sustainability of Theewaterskloof include but is not limited to:

- ✚ Low debtors Collection Levels – Rate consistently below the national norm of 95% over the past seven years

- ✚ Electricity revenue supplies to the minority of towns and industrial consumers. This not only has a negative impact on the direct revenue from electricity sales but also impact negatively on debt collections revenue.
- ✚ Poor liquidity position
- ✚ Unfunded provisions such as provision for rehabilitation of landfill sites and post retirement employee benefits
- ✚ Lack of reserve funds
- ✚ Ageing infrastructure and the risk of infrastructure collapse
- ✚ Inadequate budget for repairs and maintenance of infrastructure assets
- ✚ Range of unfunded and under-funded mandates
- ✚ The effect of rapid urbanisation remains one of the largest challenges to the sustainability of the municipality. Errors in recent census results (contributing to the incorrect division of revenue from the national fiscus) It is estimated that the undercount could be in the region of 20% as the reality indicates that there are more likely to be 140 000 people in the area rather than the 117167 indicated by the Community Survey. Projected Growth percentages are also questionable, ranging from 1.5 to 1.9% from the various sources. One only have to look Grabouw where the influx of people overnight was enough to equal an entire ward.
- ✚ Narrow rates base and affordability of the municipal bill
- ✚ Water losses
- ✚ Revenue growth and the effect of climate change (drought conditions)

The municipality is constantly attempting to improve the low collection levels and is in the process of implementing a credit control and debt collection system as a tool to assist the administration with the daunting task against the backdrop of weak economic conditions, poverty and high unemployment. Another initiative which unfortunately requires additional funding is the installation of smart water meters especially in areas where Eskom electricity supply areas as a mechanism to enforce credit control. The collection rate has improved from 84% in 2017/18 to 85% in 2018/19 which is testimony to the fact that a more coherent and effective approach must be adopted to improve the low collection levels. The Municipality is also currently busy with an awareness campaign in order to encourage defaulting consumers to pay for rates and services. This campaign will also focus on consumer education, communication, customer care and the possibility of a customer loyalty programme. It is however imperative that the Genadendal Transformation issue be resolved as soon as possible to allow for data cleansing, credit control and debt collection to be implemented. The Municipality is currently negotiating with the Department of Rural Development and Land Affairs for the payment of outstanding property rates on properties registered and held in trust on behalf of the Minister.

TWK is continuing to lobby (through SALGA) for a review of the fiscal model. The municipality is also one of the major role players in the attempts to either take over electricity distribution in its area from ESKOM or alternatively receiving revenue in the form of a surcharge from ESKOM and introducing a Service Delivery Agreement with ESKOM. This will improve revenue and debt collection ratios considerably. The municipality will continue to explore innovative methods to address its financial sustainability challenge. In addition, the Municipality is also lobbying SALGA to engage with CoGTA to amend section 118 of the Municipal Systems Act to enable municipalities to recover historic debt before a rates clearance certificate is issued.

1.6.2 FINANCIAL OVERVIEW 2018/19

Financial Overview -2018/19			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	(193 391)	(194 127)	(150 456)
Taxes, Levies and tariffs	(325 632)	(322 938)	(325 404)
Other	(60 999)	(87 573)	(114 238)
Sub Total	(580 022)	(604 637)	(590 099)
Less Expenditure	551,182	580,824	501,462
Net Total*	(28 840)	(23 814)	(88 637)
<i>* Note: surplus/(deficit)</i>			T1.4.2

1.6.3 COMMENT ON OPERATING RATIOS

Operating Ratios	
Detail	%
Employee Cost	38%
Repairs & Maintenance	5%
Finance Charges & Depreciation	8%
	T1.4.3

The payroll report is required by section 66 of the MFMA. The active employees on the Payday system are 852, of which 162 are temporary workers, 26 council members and 664 permanent workers. The active employees include 14 new appointments, 5 retirement and 11 contracts which expired for the month of June 2019. The total Salary, allowances & benefits for managers and staff amounts to R 15,885 million for the month June 2019. Overtime for June 2019 amounts to R 564 000.

The norm for Employee Related Cost to the Total Operating Budget range between 25% and 40% depending on various factors and circumstances. The 38% attained is within the National Norm.

The municipality realizes the importance of expenditure on maintenance to ensure that assets are used optimally throughout their operational life. The municipality has made a conscious decision to increase its expenditure on repairs and maintenance gradually over the next few financial years. Optimally the municipality would eventually want to meet the national norm for expenditure on repairs and maintenance currently at 8%.

Repairs and Maintenance has shown positive movement from 4% in 2017/18 to 5% in 2018/19 illustrating the municipality's willingness to achieve the national benchmark. According to GRAP classification it seems like the municipalities Repairs and Maintenance have increased however when reporting in the mSCOA format the municipality has made huge improvements in its spending on Repairs and Maintenance.

The municipality was always of the view that we are spending much more on Repairs and Maintenance than the required benchmark, previous cost of own employees and certain materials purchased was excluded from this calculation, however with the introduction of mSCOA the municipality can now more accurately extract what it is spending on repairs and maintenance.

The ratio of finance charges and depreciation as a percentage of operating expenditure decreased from 9% in 2017/18 to 8% in 2018/19. The municipality has recently realised that it will in all probability need to take up loans if it wants to address its backlogs, however as can be seen from the finance charges ratio, it remained relatively consistent from the prior year.

1.6.4 TOTAL CAPITAL EXPENDITURE

Total Capital Expenditure: 2016 to 2019			
			R'000
Detail	2016/17	2017/18	2018/19
Original Budget	58,031	108,936	78,756
Adjustment Budget	71,646	130,284	88,460
Actual	63,010	87,214	76,533
			T1.4.4

1.6.4.1 CAPITAL EXPENDITURE COMMENT

In 2018/19 Theewaterskloof municipality approved a capital budget of R 78, 756m which was adjusted to R 88, 460m. The Total Capital Expenditure for the year ended 30 June 2019 amounts to R 76,533 million against the adjustment budget of R 88,460 million and the percentage spend is 87% when compared to the adjustment budget

The Adjustments Budget reaffirms the Municipality's commitment to achieve the service delivery targets and performance indicators as reflected in the approved service delivery and budget implementation plan. The capital expenditure budget has been readjusted. Due to various reasons some projects could not be completed in the 2018/19 financial year and funds allocated must be rolled over.

The following additional projects were provided for in the adjustments budgets:

- Grabouw Cemetery - R 264 094.
- Villiersdorp Resource Centre – R 13 570 000
- Villiersdorp Toy Library – R 1 591 142
- Grabouw pick up and drop zone – R140 000
- Caledon Drought Relieve- R 233 450
- Riviersonderend Drought Relieve- R 373 044
- Drilling of Boreholes- R 248 016
- Refurbishment and upgrading of existing borehole – R 569 425
- Water source development Tesselaarsdal- R 267 225
- Upgrading of Bulk Electrical Infrastructure - R 792 611
- Upgrading 11 kV Network replace miniature substation – R 570 000

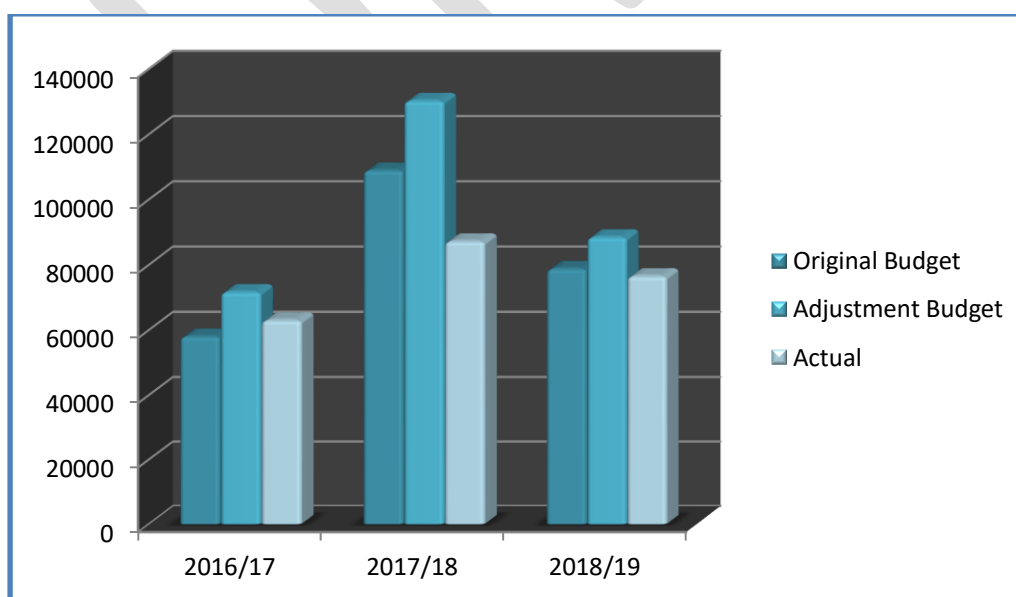
- Grabouw highmast lighting – R 195 581
- Caledon Waste Water Treatment works upgrade – R 3 270 593
- Pine View 266 Civils – R 927 436
- Low Cost Housing Project : Grabouw Waterworks : Beverly Hills – R20 000
- Low Cost Housing Project :Botrivier Community Hall – R 750 000
- Low Cost Housing Project :Botrivier Beaumont Land acquisition – R 4 200 000
- Low Cost Housing Project : Riviersonderend 72 Sites – R 1 200 000
- Low Cost Housing Project : Villiersdorp Destiny Farm – R 2 000 000
- Transfer Station – R 1 368 688
- Vehicle Tracking System – R 672 000

The actual capital expenditure for the year 2018/19 amounted to R76, 533 m, effectively translating into an 87% capital budget spent.

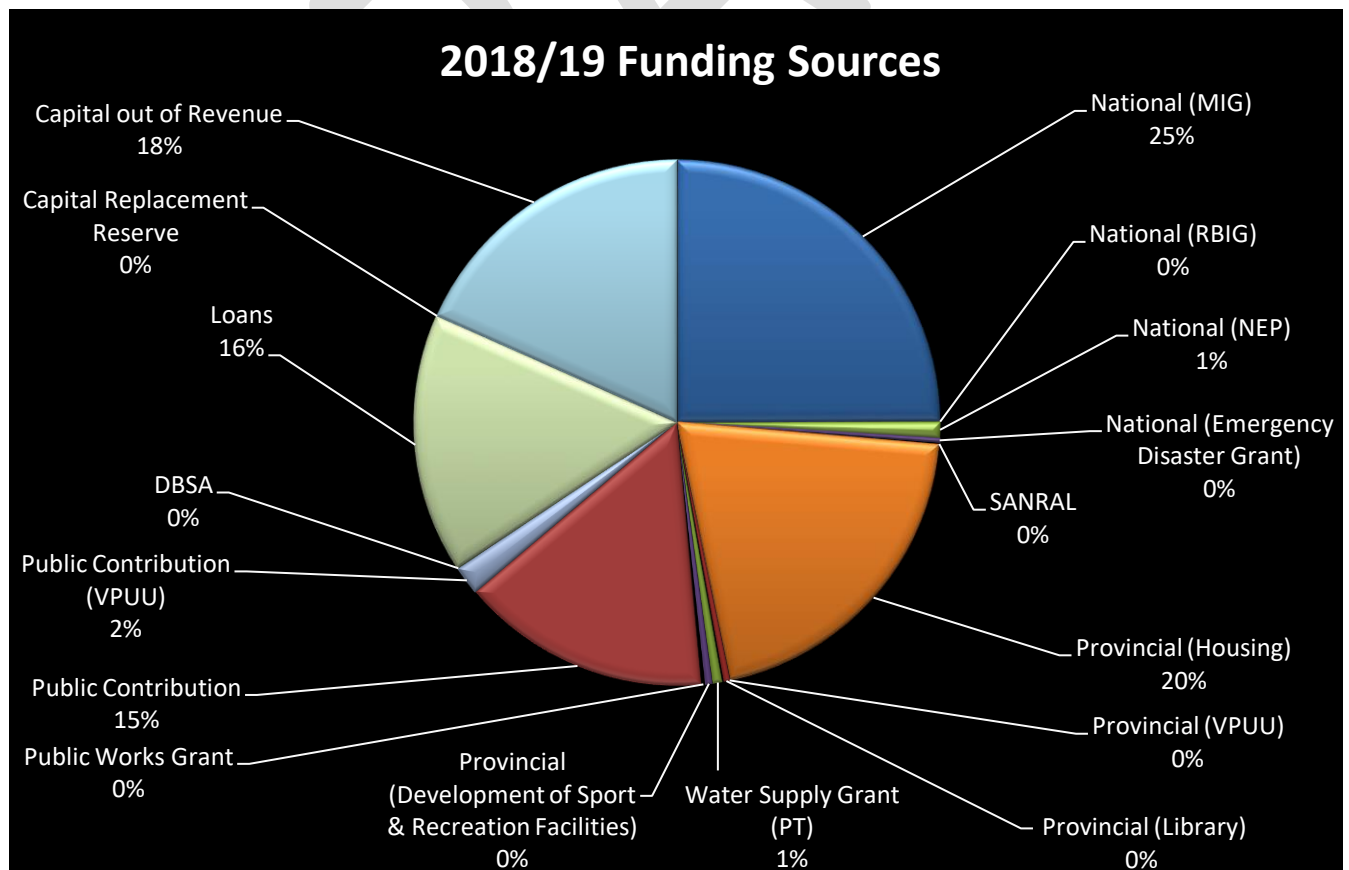
The underspending was largely due to delays experienced with the following projects:

- Villiersdorp Resource Centre – R 13 570 000
- Caledon Waste Water Treatment works upgrade – R 3 270 593 (The work for the project is completed up to end of June 2019 as planned.)
- Low Cost Housing Project: Botrivier Beaumont Land acquisition – R 4 200 000 (The purchase is in the finalised process. Appointment of professionals to commence.)
- Low Cost Housing Project : Riviersonderend 72 Sites – R 1 200 000 (Contractor on site and progressing on implementation schedule. First progress claims paid.)
- Low Cost Housing Project : Villiersdorp Destiny Farm – R 2 000 000 (This project as experienced many delays due to unavailability of bulk infrastructure. The implementing agent presented a full costing to Province on the 14th June 2019. Province to provide guidance on the feasibility and future of this project.)
- Transfer Station – R 1 368 688 (Funds transferred with adjustment budget.)

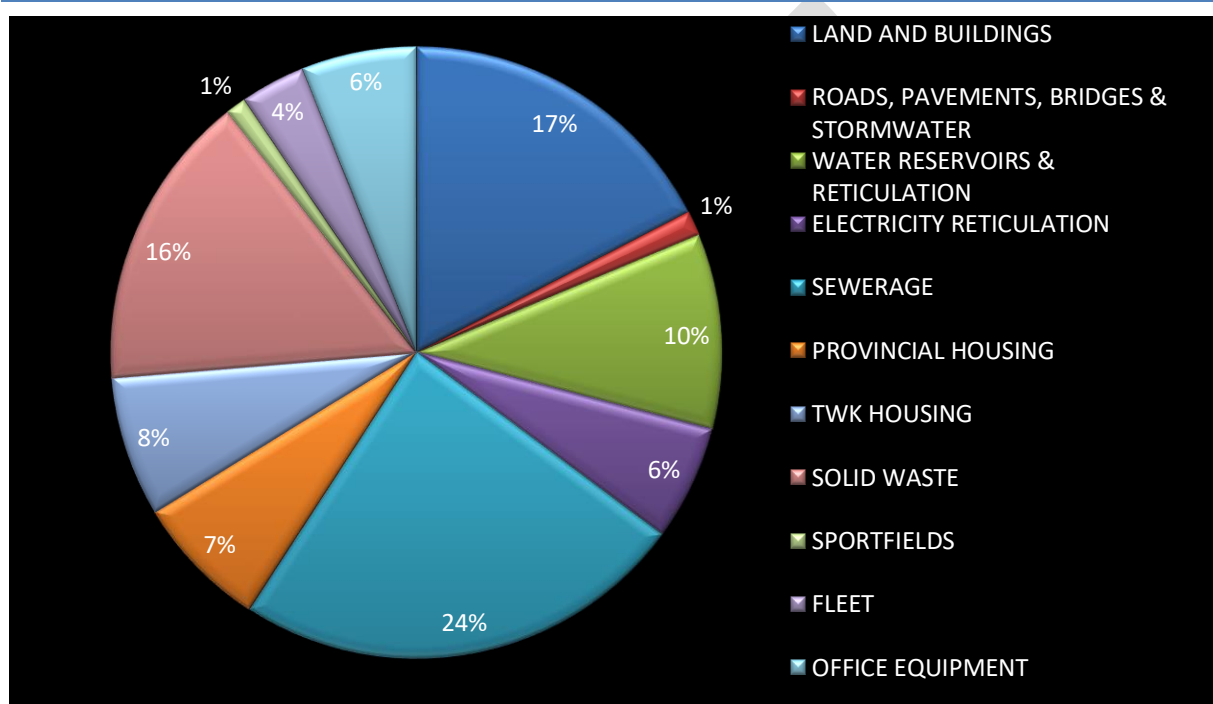
1.6.5 CAPITAL EXPENDITURE



Sources of Finance:	Budget	Adjustment Budget 2	Expenditure	Balance	% Spent
National (MIG)	22 053 912	22 053 912	22 023 712	30 200	100%
National (RBIG)	-	-	-	-	-
National (NEP)	434 783	877 394	877 393	0	100%
National (Emergency Disaster Grant)	-	248 016	239 567	8 449	97%
SANRAL	-	140 000	29 807	110 193	21%
Provincial (Housing)	24 100 000	18 085 032	11 112 451	6 972 581	61%
Provincial (VPUU)	-	-	-	-	-
Provincial (Library)	358 000	358 000	233 623	124 377	65%
Water Supply Grant (PT)	-	569 425	-	569 425	0%
Provincial (Development of Sport & Recreation Facilities)	401 000	401 000	376 298	24 702	94%
Public Works Grant	-	195 581	-	195 581	0%
Public Contribution	-	13 570 000	11 800 000	1 770 000	87%
Public Contribution (VPUU)	-	1 591 142	1 383 602	207 540	87%
DBSA	-	-	-	-	-
Loans	10 420 279	14 144 815	13 694 602	450 213	97%
Capital Replacement Reserve	-	-	-	-	-
Capital out of Revenue	20 987 692	16 225 694	14 761 281	1 464 413	91%
Grand Total	R 78 755 666	R 88 460 011	R 76 532 335	11 927 676	87%



LAND AND BUILDINGS	13 308 572
ROADS, PAVEMENTS, BRIDGES & STORMWATER	1 007 719
WATER RESERVOIRS & RETICULATION	7 910 928
ELECTRICITY RETICULATION	4 667 993
SEWERAGE	18 386 744
PROVINCIAL HOUSING	5 453 937
TWK HOUSING	5 658 514
SOLID WASTE	12 046 232
SPORTFIELDS	825 703
FLEET	2 622 013
OFFICE EQUIPMENT	4 644 372
GRAND TOTAL	76 532 727



1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.7.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

On 31 May 2019 the Municipal Council adopted the reviewed organisational Micro and Macro structure. Additional posts were identified for current service delivery needs but also for the future growth of Theewaterskloof Municipality. Many posts will not be funded and will therefore only be filled when service delivery requirements change and the budget to fund the additional posts has been approved. These posts are not currently critical for service delivery. Critical vacancies will be identified within the budget envelope and filled during the 2019/20 and 2020/21 financial years. Chapter 4 provides detailed information on the Municipality's organisational development.

1.8 STATUTORY ANNUAL REPORT PROCESS

PROCESS	Timeframe
AR & FS to AG <ul style="list-style-type: none"> • Submit 2018/2019 Draft Annual Performance Report and Financial statements to Auditor General. • Compile and submit Municipal Audit file to the Auditor General 	31 August 2019
Submit 2018/19 Annual Report (as per agreement with AG) to Auditor General	15 October 2019
Audit Report Receive audit report on annual financial statements from the Auditor General	29 November 2019
Table Draft AR & AFS Mayor tables draft AR and AFS at council	23 January 2020
Advertise draft AR & AFS for public input and place on municipal website	23 January – 13 February 2020
Advertise Oversight Committee Schedule inviting the Public to make presentations of the AR and AFS	23 January 2020
Portfolio Committee Meeting Submit Draft Annual Report to Portfolio Committees for inputs	12 February 2020 – 27 February 2020
1st Oversight Committee Meeting Oversight Committee pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report (10h00)	07 February 2020
2nd Oversight Committee Meeting Public hearings – The local community and any organ of state will be allowed to make representations on the annual report and AFS (10h00)	04 March 2020
3rd Oversight Committee Meeting Preparation of the draft oversight report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organ of states, Councils audit committee and Councillors (14h00)	11 March 2020
Oversight & Annual Report Adoption of Oversight report on AR & AFS by council	19 March 2020
Advertise approved Annual report- Place on Municipal Website	25 March 2020
Submission of Oversight & Annual Report to Provincial Treasury and Office of the Premier	29 March 2020
Annual Report Guidelines Forwards guidelines to all Corporate Directorates on the submission of the Annual Report info	30 May 2020

It is important to achieve the above deadlines, not only to achieve legislative compliance, but to ensure the smooth running of municipal planning, budgeting, service delivery implementation and reporting cycles which all feed and depend on one another. The Municipal Annual Report also informs the planning process of other spheres of government, thus influencing our equitable share of future government grants.

CHAPTER 2 – GOVERNANCE

WHAT IS GOVERNANCE?



INTRODUCTION TO GOVERNANCE

Good governance has 8 major characteristics namely:-

- participatory,
- consensus oriented,
- accountable,
- transparent,
- responsive,
- effective and efficient,
- equitable, and
- Inclusive which follows the rule of law.

It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.

2.1 POLITICAL GOVERNANCE

Note: Municipal Finance Management Act (MFMA) section 52 states:

The mayor of a municipality

- a. must provide general political guidance over the fiscal and financial affairs of the municipality.
- b. In providing such general political guidance, may monitor and, to extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities.
- c. must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.

The Theewaterskloof Municipal Council comprises of 27 elected councillors, made up out of 14 ward councillors and 13 proportional representation councillors. The portfolio committees are made up of councillors drawn from all political parties.

Below is a table that categorised the councillors within their specific political parties and demographic representation for the 2018/19 financial year:

POLITICAL PARTY	ALLOCATION OF SEATS	GENDER	
		MALE	FEMALE
DA	14	8	6
ANC	10	5	5
ICOSA	1	1	0
EFF	1	0	1
UFEC	1	1	0

EXECUTIVE MAYORAL COMMITTEE AND MEMBERS

The Executive Mayor of the Municipality Alderman, Christelle Vosloo assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. She has an overarching strategic and political responsibility.

The key element of the executive model is that executive power is vested in the Mayoral Committee, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Mayor operates in concert with the Mayoral Committee.

Executive Mayor:
Alderman Christelle Vosloo

Function

- Is the Executive and Political Leader of the Municipality
- Is the Social and Ceremonial Head of Council
- Is the Chief Advisor of Council
- Responsible for identifying the needs of the Municipality
- Must monitor the Administrator
- Supervises the delivery of services
- Report to Council
- Budgetary responsibilities

DEPUTY MAYOR:
Cllr Isaac Sileku(DA)Resigned 17/05/19
Cllr Karel Papier (DA)

The Deputy Mayor acts in the absence of the Executive Mayor

SPEAKER:
Alderman: D Du Toit

Is the chairperson of the Municipal Council and as such is authorized to dictate the proceedings during council meetings, though subject to the order rules, common law and constitutional prescripts. The Speaker is accountable to and reports to the Municipal Council. The Speaker must also ensure compliance with the Code of Conduct.

WHIP:
Cllr R Brinkhuys (DA)
Cllr D Appel (ANC)Resigned Oct 2018
Cllr MR Nongxaza (ANC)

Leads the Caucus meetings before Council meetings.

MAYORAL COMMITTEE:

Cllr K Papier
Cllr J Arendse
Cllr M Koegelenberg
Alderman P Stanfliet
Cllr M Plato-Mentoor
Cllr N Pieterse

The Mayoral Committee assist the Executive Mayor, serve him/ her with advice and take decisions with the Executive Mayor in respect of designated powers.



CHRISTELLE VOSLOO
MAYOR



KAREL PAPIER
DEPUTY MAYOR



DANIEL FRANCOIS DU TOIT
SPEAKER

We have 6 Portfolio Committees which is chaired by the following Executive Mayoral Committee Members.



MARTIE KOEGELENBERG
FINANCIAL SERVICES



NICO PIETERSE
TECHNICAL AND ELECTRICAL SERVICES



KAREL PAPIER
PLANNING SERVICES

FINANCIAL SERVICES COMMITTEE		TECHNICAL AND ELECTRICAL SERVICES COMMITTEE		PLANNING COMMITTEE	
MM Koegelenberg – Chairperson	DA	N Pieterse – Chairperson	DA	KIJ Papier - Chairperson	DA
CM Lamprecht	DA	R Brinkhuys	DA	N Pieterse	DA
S Fredericks	DA	CM Lamprecht	DA	PU Stanfliet	DA
C November	ANC	UT Sipunzi	ANC	UT Sipunzi	ANC
RL Mienies	ANC	MR Nongxaza	ANC	SJ Potberg	ANC
T Mangcayi	EFF	TF Tshungwana	UFEC	H Syster	ICOSA



JANE ARENDSE
CORPORATE SERVICES



PEARL STANFLIET
COMMUNITY SERVICES



MEKIE PLATO-MENTOOR
COMMUNITY DEVELOPMENT COMMITTEE

CORPORATE SERVICES COMMITTEE		COMMUNITY SERVICES COMMITTEE		COMMUNITY DEVELOPMENT COMMITTEE	
Jl Arendse - Chairperson	DA	PU Stanfliet - Chairperson	DA	M Plato-Mentoor – Chairperson	DA
S Fredericks	DA	N Mgqweto	DA	D Jooste	DA
MB Tshabe	DA	R Brinkhuys	DA	MB Tshabe	DA
AN Mentile	ANC	C Wood	ANC	M le Roux	ANC
T Ndlebe	ANC	M Bhangazana	ANC	C Wood	ANC
T Mangcayi	EFF	TF Tshungwana	UFEC	H Syster	ICOSA

2.1.1 COUNCILLOR PROFILE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	Ward Represented/ Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
	FT/PT			%	%
D DU TOIT	FT	None	Ward Represented	85%	15%
C VOSLOO	FT	Executive Mayoral Committee	Party Represented	100%	0%
D APPEL (Resigned on 28/09/18)	PT	Technical Services	Party Represented	95%	5%
J ARENDSE	FT	Organizational Development Committee	Ward Represented	100%	0%
M BHANGAZANA	PT	Operations Committee	Ward Represented	80%	20%
R BRINKHUYS	PT	Technical Services; Operations Committee	Ward Represented	95%	5%
S FREDERICKS	PT	Finance Committee	Party Represented	85%	15%
D JOOSTE	PT	Development Services Committee	Ward Represented	100%	0%
M KOEGELENBERG	FT	Finance Committee	Ward Represented	95%	5%
C LAMPRECHT	PT	Finance Committee; Technical Services Committee	Ward Represented	90%	10%
M LE ROUX	PT	Organizational Development Committee; Development Services Committee	Party Represented	80%	20%
T MANGCAYI	PT	Organizational Development Committee	Party Represented	65%	35%
A MENTILE	PT	Organizational Development Committee	Ward Represented	80%	20%
R MIENIES	PT	Financial Services Committee	Party Represented	65%	35%
T NDLEBE	PT	Human Settlements Committee	Ward Represented	100%	0%
C NOVEMBER	PT	Financial Services Committee; MPAC	Party Represented	100%	0%

K PAPIER	FT	Technical Services Committee	Party Represented	100%	0%
N PIETERSE	PT	Organizational Development Services; Operations Committee	Ward Represented	100%	0%
M PLATO-MENTOOR	FT	Development Services Committee	Ward Represented	95%	5%
S POTBERG	PT	Human Settlements Committee	Ward Represented	85%	15%
I SILEKU (Resigned on 17/05/19)	FT	Human Settlements Committee	Party Represented	100%	0%
U SIPUNZI	PT	Technical Services Committee; Human Settlements Committee	Ward Represented	85%	15%
P STANFLIET	FT	Operations Committee	Ward Represented	85%	15%
H SYSTER	PT	Development Services Committee; Operations Committee	Party Represented	85%	15%
B TSHABE	PT	Organizational Development Services; Development Services Committee	Party Represented	100%	0%
T TSHUNGWANA	PT	Technical Services Committee	Party Represented	85%	15%
C WOOD	PT	Development Services Committee; Operations Committee	Party Represented	75%	25%
MR NONGXAZA	PT	Technical Services Committee	Party Represented	95%	15%
N MGQWETO (started 12/06/2019)	PT	Not yet represented on Portfolio Committee at the time of Year end	Party Represented	100%	0%
Note: *Councillors appointed on a proportional basis do not have wards allocated to them					T A

2.1.2 POLITICAL DECISION-TAKING

11 Council Meetings and 10 Special Council Meetings were held during the 2018/2019 financial year.

Agenda-items submitted to Council are as follows:

1st Quarter	=65
2nd Quarter	=61
3rd Quarter	=65
4th Quarter	=91

Total Agenda-items submitted = 282

Out of the 282 Resolutions taken at the Council Meetings from 01 July 2018 to 30 June 2019, 279 resolutions were implemented with 3 resolutions referred back to the Item Author.

2.2 ADMINISTRATIVE GOVERNANCE

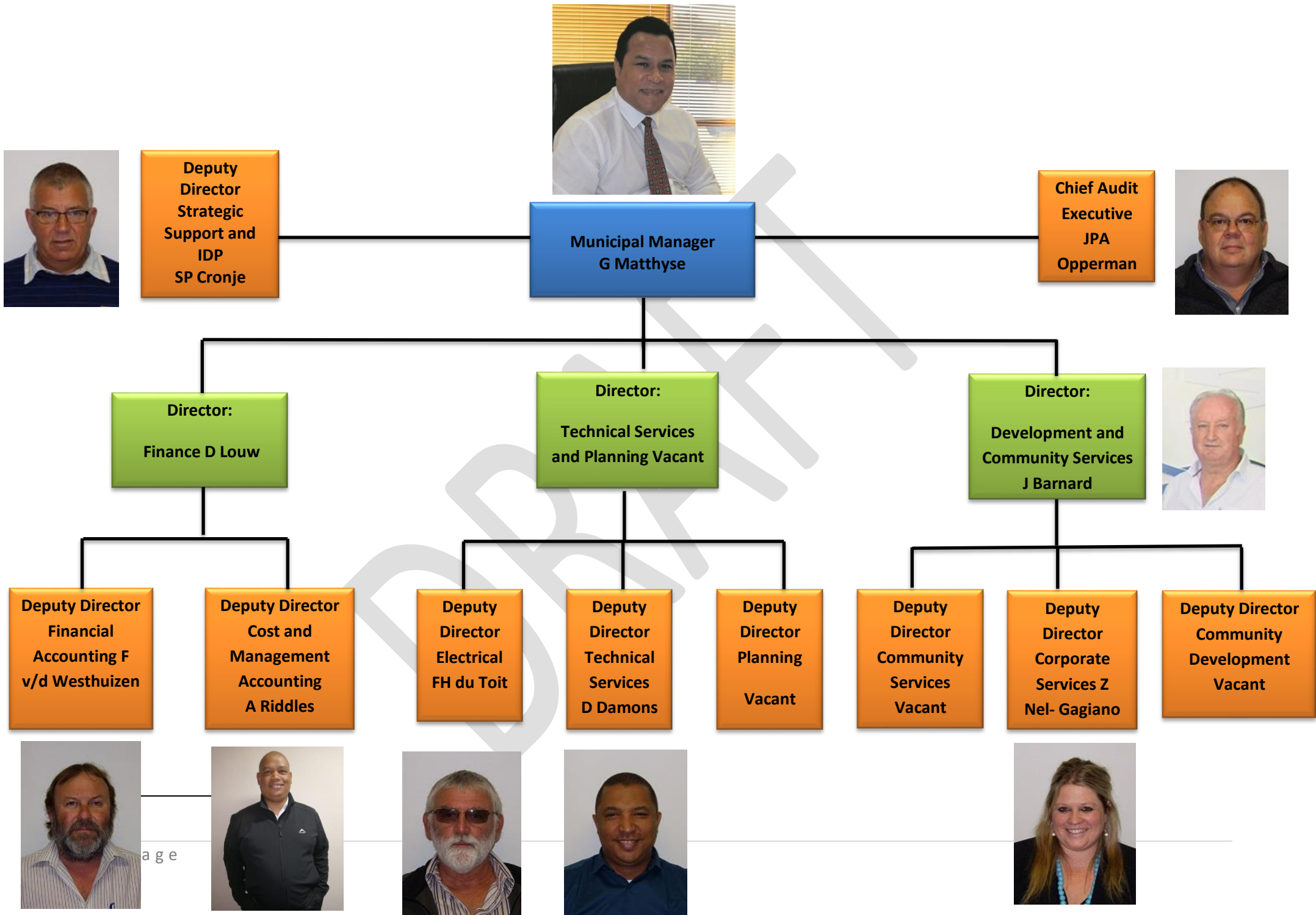
2.2.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Municipal Finance Management Act MFMA section 60 states:

The municipal manager of a municipality is the accounting officer of the municipality for the purpose of this Act, and, as accounting officer must -

- a. Exercise the functions and powers assigned to an accounting officer in terms of the MFMA Act and
- b. Provide guidance and advice on compliance with this MFMA Act to-
 1. The political structures, political office – bearers and officials of the municipality; and

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily serves as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the structure **(as approved by council on 31 May 2019)** below:



COMPONENT B: INTERGOVERNMENTAL RELATIONS

In terms of the Constitution of South Africa Section 41, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

2.3 INTERGOVERNMENTAL RELATIONS

Intergovernmental structures give effect and concrete expression to inter departmental communication. To adhere to the principles of the Constitution section 41 as mentioned above the Municipality participates in the following intergovernmental structures:

	IGR STRUCTURE	TYPE OF PARTICIPATION AND BENEFITS DERIVED
NATIONAL	Local Government ICT (LGICT) Network (Please note that this is mainly an "open online forum", although there are special meetings, workshops and events being scheduled across the country)	The LGICT Network is a service hosted by SALGA that provides: <ul style="list-style-type: none"> • a real-time platform for information exchange, networking and collaboration for ICT Managers in local government. • a platform where ICT Managers in local government rate service providers and report about service, satisfaction and quality in order to separate the "husks from the grain".
	National Joint Operational And Intelligence Structure (NATJOINTS) Structure	Coordination of crime combating operations
	National Road Traffic Management Coordinating Committee (NRTCC) / Law Enforcement And Transport Committee (LETCOM)	Coordination of traffic operations
PROVINCIAL	IDP Managers Forum	Reflect on IDP Indaba processes Reflect on the impact of the IDP Analysis process; Discuss processes and methodologies that should guide the annual IDP review; Serve as a platform where key planning information is shared, good planning practices and successfully implemented programmes are celebrated, and where gaps are identified.
	Records Provincial Public Participation Forum	Record legislation applicable to the functions applicable to document management in the municipality.
	Provincial Public Participation Forum	Public Participation processes in the district / upcoming ward committee elections in 2021 after the municipal elections and the preparations therefor.
	SALGA Provincial HR Development Working Group	<ul style="list-style-type: none"> • A platform for Councillors within the Province to give input into collective bargaining as well as policy issues. • This forum also receives feedback from National and Provincial Bargaining Forums. • It is also a platform for information sharing and to discuss issues of mutual interest;
	HR Practitioners Forum	<ul style="list-style-type: none"> • A forum used to draft policy, give input into various topics such as legislation, agreements etc. • This forum also serves as a platform for HR managers to network and share best practice

		<ul style="list-style-type: none"> • Receive feedback from SALGA in respect of negotiations etc.
	Risk Management Forum	
	Skills Development Form	
	CFO Forum	Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role
	SCM Forum	Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role
	Municipal Accountants Forum	Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role
	Property Rates Forum	Provide support for the implementation of legislation / policies and fulfil a monitoring and oversight role
	Chief Audit Executive Forum	Discuss methodologies, standards, challenges and serves as an information sharing platform.
	Western Cape Local Government ICT Managers Forum	<ul style="list-style-type: none"> • To create a platform for ICT Managers to discuss ICT-specific issues • To create a space for information sharing, knowledge exchange and inter-provincial cross pollination • To manage, co-ordinate and support the implementation of ICT initiatives, ICT-related activities in order to strengthen support and avoid duplication • To obtain inputs and comments on national- and provincial processes and initiatives that have an impact on ICT's, and • To achieve standardization for benchmarking and reporting purposes on critical activities.
DISTRICT INTERGOVERNMENTAL STRUCTURES	District IDP Managers Forum	<ul style="list-style-type: none"> • A platform for IDP Managers in the Overberg District to discuss IDP-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • co-ordinate the implementation of IDP initiatives and activities; • standardization of IDPs in the District; and • To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality
	Provincial Joint Operational And Intelligence Structure (PROVJOINTS) Structure	Coordination of crime combating operations
	Provincial road traffic management coordinating committee (PRTMCC) / provincial law enforcement and transport committee (PLETCOM)	Coordination of traffic operations
	Department of Environmental Affairs MOP meetings	Feedback on all EIA and Basic assessment NEMA regs.

Biodiversity management DEADP	Control meetings on Alien eradication management
<ul style="list-style-type: none"> • Gerald Wright Thusong Stakeholders Forum consist of Local and District Representatives of government departments, non- profit organisations, Businesses, community members and faith based organisations. • Thusong District Meetings is held every quarter where all the district Thusong Managers and government departments on provincial level have a joined meeting to discuss Thusong Outreaches. • Thusong Programme Forum is held twice a year where the whole province Thusong centres get together with provincial and national departments 	<ul style="list-style-type: none"> • The Thusong Stakeholders Forum is a consultative platform aimed at increasing co-ordination and communication through information sharing, dialogue, capacity building and consultation. • Social integration and inclusion in communities and society at large • Mutual solidarity finds expression among individuals and communities • Social Cohesion as a cohesive society that works toward the well - being of all its members • Fights exclusion and marginalization • Creates a sense of belonging • Promotes trust
IDP Rep/PPCOM Forum	<ul style="list-style-type: none"> • A platform for IDP Managers, Public Participation officials, Municipal Communicators and Sector Department officials • Share experiences • Joint Planning
Overberg ICT (OICT) Managers Forum	<ul style="list-style-type: none"> • A platform for ICT Managers in the Overberg District to discuss ICT-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • standardization of ICT infrastructure in the district; and • To identify areas of shared-services
District IDP Managers Forum	<ul style="list-style-type: none"> • A platform for IDP Managers in the Overberg District to discuss IDP-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • co-ordinate the implementation of IDP initiatives and activities; • standardization of IDPs in the District; and • To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality
IDP Rep/PPCOM Forum	<ul style="list-style-type: none"> • A platform for IDP Managers, Public Participation officials, Municipal Communicators and Sector Department officials • Share experiences • Joint Planning
Overberg ICT (OICT) Managers Forum	<ul style="list-style-type: none"> • A platform for ICT Managers in the Overberg District to discuss ICT-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • standardization of ICT infrastructure in the district; and • To identify areas of shared-services
Overberg LED/Tourism Forum	<ul style="list-style-type: none"> • Platform for LED/Tourism practitioners • Joint Planning • Share best practices

District Joint Operational And Intelligence Structure (Clusterjoints) Structure	<ul style="list-style-type: none"> • Coordination of crime combating operations
District Road Traffic Management Coordinating Committee (Drtmcc)	<ul style="list-style-type: none"> • Coordination of traffic operations
District Disaster Safety Committee Meeting	<ul style="list-style-type: none"> • Discussion on all safety aspects in local and district Mun.
Interdepartmental Steering Committee – Villiersdorp	<ul style="list-style-type: none"> • Representing municipality as Town Manager on ISC to ensure that Government departments include Villiersdorp community action items on their IDP budgets.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The main aim of public participation is to encourage the public to have meaningful input into the decision-making process. Public participation thus provides the opportunity for communication between the community and the municipality.

Legislation affecting public participation in the municipal sphere includes:

- ❖ Constitution of South Africa 1996, Section 151 (1): Municipalities are obliged to encourage the involvement of communities & community organisations in local government.
- ❖ The White Paper on Local Government of 1998: Municipal Councillors should promote the involvement of citizens and community groups in the design and delivery of municipal services.
- ❖ Municipal Structures Act 117 of 1998: Chapter 4 (Establishment of ward committees).
- ❖ Municipal Systems Act 32 of 2000 (Chapter 4): the legal nature of a municipality as including the local community within the municipal area, working in partnerships with the municipality's political & administrative structures to provide for community participation.
- ❖ Municipal Finance Management Act of 2003 The MFMA outlines ways in which the community can be informed of the financial situation of a municipality.
- ❖ Municipal Property Rates Act of 2004 stipulates the public decisions relating to municipal property rates.
- ❖ National Policy Framework on Public Participation provides guidelines for Public Participation in South Africa. It also guides municipalities with the practical implementation of a well-planned, resourced and structured participation program so that communities can actively contribute to the decision making process within the municipality

2.4 COMMUNICATION, PARTICIPATION AND FORUMS

A Public Participation Plan has been approved by council during September 2018. The plan includes dates of the following meetings which require public participation:

- Quarterly Councillor Report back meetings which is used to inform the public by providing information to help them understand the issues, options and solutions in their wards. These quarterly meetings contain housing project information, what has been in the past 3 months and to give the community the opportunity to raise issues of concerns.
- Council meetings are published in the Local News Papers to inform the broader community that the meetings are open for Public attendance.
- IDP Public Meetings were held during September and October 2018 to give the community the opportunity to influence the IDP. These meetings were poorly attended in certain wards.
- Budget Public Meetings were conducted during April 2019 to present the Draft Budget for 2019/ 2020 to the communities before it is approved by Council
- Annual Report publications to give the communities and ward committee members the opportunity to comment on the Annual Report for 2017/ 2018
- Ward Committee Meeting Dates. In terms of our Ward Committee Policy, the ward committees need to meet on a bi-monthly basis
- Housing Demand Database Roadshow to allow new housing applicants the opportunity to register on the housing demand database and existing applicants can update their information in order to ensure a credible database.

2.4.1 WARD COMMITTEES

The Ward Committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all Ward Committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

We regard the Ward committees as our official Public participation structure. Our Ward Committees meet bi-monthly and they are very much involved in the IDP and Budget process. We have also developed 14 Ward Operational Plans as prescribed by the Provincial Department: Local Government.

2.4.2 FUNCTIONALITY OF WARD COMMITTEES

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.
- To make sure ward residents have a say in decisions, planning and projects that the council or municipality undertakes which have an impact on the ward.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the Integrated Development Plan of the area.

The table below provides information on the establishment of ward committees and their functionality:

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
One (1)	COUNCILLOR S POTBERG	Yes	9	22	2
	A Appel				
	C Sadenbergh				
	E Mouries				
	R Hermanus				
	P Stander				
	A Mouton				
	T Hermanus				
	C Lottering				
	H Sauls				
	F Roux				
Two (2)	ALDERMAN D DU TOIT	Yes	9	25	7
	J Kroukamp				
	R Martin				
	R Rouillard				
	P Adams				
	V Jansen				
	C Barthus				
	W Beukman				
	G Juries				
	A White				
	G Emslie				
Three (3)	COUNCILLOR J ARENDSE	Yes	4	0	3
	E Magerman				
	Y van Tonder				
	A Davids				
	M Booysen				
	S Swartz				

	K Hoffman				
	C Benjamin				
	L Freeman				
	J Paulsen				
Four (4)	COUNCILLOR M KOEGELENBERG	Yes	4	0	2
	J Brinkhys				
	N Jende				
	J de Waal				
	J Norval				
	M Wessels				
	J de Witt				
	G Siza				
	D du Toit				
	J Hauman				
Five (5)	COUNCILLOR C LAMPRECHT	Yes	10	11	3
	L Jonase				
	N Pali				
	J Smith				
	J Mckenzie				
	C Nel				
	B Bester				
	F Matheone				
	J Nicolls				
	R Jansen				
	H Schoeman				
	M de Lange				
Six (6)	COUNCILLOR R BRINKHYS	Yes	10	0	3
	E Jansen				
	T Vali				
	R Antonie				
	G Engelbrecht				
	H Blignaut				
	J Nicolls				
	J Mckenzie				
	V Hendricks				
	H Schoeman				
Seven (7)	ALDERMAN P STANFLIET	Yes	5	0	2
	M Goniwe				
	C Afrika				
	I Andries				

	H Pitcher				
	M Ngakana				
	H Hendricks				
	J Faroa				
	E Herman				
Eight (8)	COUNCILLOR A MENTILE	Yes	5	2	0
	L Khathatsho				
	J Kock				
	I Ludziya				
	A Bovungana				
	X Nonjiko				
	E Gertse				
	D Williams				
	T Xhego				
	N Klaasen				
	O Silimela				
Nine (9)	COUNCILLOR D JOOSTE	Yes	5	0	3
	M Koelman				
	N Fortuin				
	E Wagenaar				
	B Engelbrecht				
	D Johannes				
	A Hanekom				
	J Jooste				
	I Kortje				
	H Botha				
	H Schoeman				
Ten (10)	COUNCILLOR M PLATO- MENTOOR	Yes	5	0	2
	F Quinton				
	C Januarie				
	L Hendricks				
	E Koopman				
	B Snyders				
	J de Bruin				
	J Hutton-Squire				
	E Williams				
	B Noble				
	J Delport				
Eleven (11)	COUNCILLOR T NDELEBE	Yes	5	0	1
	C Gertze				

	E Skey				
	S Mxhuma				
	Z Saziwa				
	P Mcetwa				
	A Matheone				
	S Jonas				
	J Nganyatsi				
	P Mzolisa				
Twelve (12)	COUNCILLOR U SIPUNZI	Yes	5	6	5
	W Nomxhanya				
	C Absalom				
	P Speelman				
	L Madizeni				
	L de Bruyn-Davids				
	S Ninon				
	M Ritcher				
	T Zacharia				
Thirteen (13)	COUNCILLOR M BHANGANZANA	Yes	5	6	1
	N Mchasa				
	M Thobiganya				
	S Maziza				
	U Mtoko				
	J Fourie				
	D de Wee				
	G Pedro				
	A Julies				
	T Langa				
	T Nomshuva				
Fourteen (14)	COUNCILLOR N PIETERSE	No	3	0	1
	N Fredericks				
	O Parnell				
	J Fillies				
	F Oppelt				
	I Kortje				
	I Kortje				

2.4.3 PUBLIC MEETINGS

Public Meetings were scheduled as follows and full details are provided under Appendix 2.4.3:

- Ward Councillor Report Back Meeting 23 July - 7 August 2018
- IDP Public Participation 2019/2020 17 - 27 September 2018
- Budget Stakeholder Engagement 28 February 2019
- Ward Councillor Report Back: 3rd Quarter 4 - 19 March 2019
- Draft IDP / Budget Ward Committee Engagements 1 April 2019
- Ward Councillor Report Back: 4th Quarter 3 - 20 June 2019

Public Meetings					
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
<u>Ward Councillor Report Back Meeting: 1st Quarter</u>	23-Jul 18- 7-Aug 18				
Ward 1	31-Jul-18	1 Cllr	2 Officials	13 Com Members	
Ward 2: Greyton and Heuwelkroon	23-Jul-18	1 Cllr	3 Officials	6 Com Members	
Ward 2: Beraville	31-Jul-18	1 Cllr	6 Officials	10 Com Members	
Ward 2: Voorstekraal	1-Aug-18				did not take place due to non-attendance of community
Ward 2: Genadendal	7-Aug-18	1 Cllr	3 Officials	0 Com Members	
Ward 3: Myddleton	24-Jul-18	1 Cllr	3 Officials	6 Com Members	
Ward 3: Tesselaarsdal	30-Jul-18	1 Cllr	2 Officials	9 Com Members	
Ward 3: Town	2-Aug-18	2 Cllrs	9 Officials	4 Com Members	
Ward 4	6-Aug-18	2 Cllrs	6 Officials	9 Com Members	
Ward 5	2-Aug-18	1 Cllr	2 Officials	10 Com Members	
Ward 6	7-Aug-18	1 Cllr	2 Officials	9 Com Members	
Ward 7 Town	23-Jul-18	1 Cllr	3 Officials	105 Com members	
Ward 7 Lebanon	7-Aug-18				did not take place due to non-attendance of community
Ward 8	6-Aug-18				did not take place due to non-attendance of community
Ward 9	24-Jul-18	1 Cllr	2 Officials	10 Com Members	
Ward 10	25-Jul-18	1 Cllr	2 Officials	11 Com Members	

Ward 11	1-Aug-18	1 Cllr	2 Officials	11 Com Members	
Ward 12	7-Aug-18	1 Cllr	2 Officials	11 Com Members	
Ward 13	24-Jul-18	1 Cllr	2 Officials	10 Com Members	
Ward 14 Town	23-Jul-18	1 Cllr	1 Official	10 Com Members	
Ward 14 Molteno Farm	30-Jul-18				did not take place due to non-attendance of community
IDP PUBLIC PARTICIPATION 2019/2020	17 - 27 SEPT 2018				
Ward 1	17-Sep-18	1 Cllr	4 Officials	12 Com Members	
Ward 8	17-Sep-18	2 Cllrs	2 Officials	13 Com members	
Ward 2	18-Sep-18	4 Cllrs	20 Officials	134 Com Members	
Ward 10	18-Sep-18	3 Cllrs	6 Officials	29 Com Members	
Ward 7	19-Sep-18				
Ward 9	19-Sep-18	2 Cllrs	6 Officials	24 Com Members	
Ward 3	20-Sep-18				
Ward 13	20-Sep-18	3 Cllrs	11 Officials	43 Com Members	
Ward 4	25-Sep-18				
Ward 11	25-Sep-18	2 Cllrs	7 Officials	9 Com Members	
Ward 12	26-Sep-18	1 Cllr	6 Officials	16 Com members	
Ward 6	26-Sep-18	1 Cllr	8 Officials	58 Com Members	
Ward 14	27-Sep-18	1 Cllr	3 Officials	9 Com Members	
Ward 5	27-Sep-18	1 Cllr	6 Officials	27 Com Members	
Budget Stakeholder Engagement	28-Feb-19	3 Cllrs	13 Officials	15 Members of Sectors	
Ward Councillor Report Back: 3rd Quarter	4 - 19 March 2019				
Ward 1	12-Mar-19	1 Cllr	2 Official	117Com Members	
Ward 2: Greyton and Heuwelkroon	4-Mar-19	1 Cllr	4 Officials	68 Com Members	
Ward 2: Beraville	11-Mar-19	-	-	-	Did not take place due to non-attendance by community

Ward 2: Voorstekraal	12-Mar-19	1 Cllr	2 Officials	35 Com Members	
Ward 2: Genadendal	13-Mar-19	-	-	-	Did not take place due to non-attendance by community
Ward 3: Myddleton	5-Mar-19	-	-	-	Could not take place
Ward 3: Tesselaarsdal	11-Mar-19	-	-	-	Did not take place due to weather conditions
Ward 3: Town	14-Mar-19	2 Cllrs	4 Officials	23 Com Members	
Ward 4	6-Mar-19	1 Cllr	4 Officials	92 Com Members	
Ward 5	18-Mar-19	1 Cllr	2 Officials	28 Com Members	
Ward 6	5-Mar-19	2 Cllrs	6 Officials	87 Com Members	
Ward 8	20-Mar-19	-	-	-	Did not take place due to non-attendance by community
Ward 9	6-Mar-19	1 Cllr	4 Officials	35 Com Members	
Ward 10	6-Mar-19	1 Cllr	3 Officials	30 Com Members	
Ward 11	13-Mar-19	-	-	-	Did not take place due to non-attendance by community
Ward 11	14-Mar-19	1 Cllr	1 Official	65 Com Members	
Ward 12 Applethwaite	11-Mar-19	1 Cllr	1 Officials	17 Com Members	
Ward 12 Oudebrug	12-Mar-19	1 Cllr	1 Official	16 Com Members	
Ward 12 Town	19-Mar-19	1 Cllr	5 Officials	24 Com Members	
Ward 13	5-Mar-19	-	-	-	Did not take place due to non-attendance by community
Ward 14 Town	4-Mar-19	-	-	-	Did not take place due to protest action
Ward 14 Molteno Farm	11-Mar-19	-	-	-	Did not take place due to non-attendance by community
<u>DRAFT IDP/ BUDGET WARD COMMITTEE ENGAGEMENTS</u>	1-Apr-19				
Ward 1	19-Apr-19	1 Cllr	2 Officials	4 Ward Com Members	
Ward 2	11-Apr-19	1 Cllr	2 Officials	6 Ward Com Members	
Caledon TAF (Wards 3 and 4)	9-Apr-19	2 Cllrs	2 Officials	11 Ward Com Members	
Villiersdorp TAF (Wards 5, 6 and 9)	17-Apr-19	4 Cllrs	11 Officials	13 Ward Com Members	

WARD 7	23-Apr-19	1 Cllr	2 Officials	4 Ward Com Members	
GRABOUW TAF (Wards 8, 10, 11, 12, 13 and 14)	10-Apr-19	6 Cllrs	2 Officials	13 Ward Com Members	
Ward Councillor Report Back: 4th Quarter	3 - 20 JUNE 2019				
Ward 1	12-Jun-19	-	-	-	Did not take place due to unavailability of support staff
Ward 2: Greyton and Heuwelkroon	5-Jun-19	1 Cllr	5 Officials	14 Com Members	
Ward 2: Beraville	13-Jun-19	-	-	-	Did not take place due to non-attendance
Ward 2: Voorstekraal	12-Jun-19	1 Cllr	1 Official	12 Com Members	
Ward 2: Genadendal	11-Jun-19	-	-	-	Did not take place due to non-attendance
Ward 3: Myddleton	4-Jun-19				Did not take place due to non-attendance
Ward 3: Tesselaarsdal	11-Jun-19	0 Cllrs	6 Officials	12 Com Members	
Ward 3: Town	13-Jun-19	-	-	-	Did not take place
Ward 4	5-Jun-19				Did not take place due to weather conditions
Ward 5	18-Jun-19	2 Cllrs	4 Officials	25 Com Members	
Ward 6	4-Jun-19	2 Cllrs	3 Officials	26 Com Members	
Ward 7 Town	18-Jun-19				Did not take place
Ward 7 Lebanon	20-Jun-19				Did not take place
Ward 8	17-Jun-19				Did not take place
Ward 9	5-Jun-19	1 Cllr	3 Officials	18 Com Members	
Ward 10	6-Jun-19				Did not take place
Ward 11	13-Jun-19				Did not take place
Ward 12 Oudebrug	12-Jun-19				Did not take place
Ward 13	4-Jun-19				Did not take place
Ward 14 Town	3-Jun-19				Did not take place
Ward 14 Molteno Farm	11-Jun-19				Did not take place

2.4.3.1 COMMENT ON THE EFFECTIVENESS ON THE PUBLIC MEETINGS HELD

The Benefits of Public Participation includes:

- ❖ Increased Participation and it enables partnerships
- ❖ Encourage citizens to take ownership
- ❖ Encourages and strengthens internal accountability
- ❖ Increased communication between structures
- ❖ It alerts the Municipality of grassroots issues
- ❖ It builds ownership

Through the Public Meetings, the Theewaterskloof Municipality, informed, consulted and involved our Communities in the IDP and Budget Processes. We also use the Ward Councillor Report Back meetings, to give feedback on the status of Housing in the different wards. Some meetings were however not well attended and therefore all our communities are not informed.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.6 RISK MANAGEMENT

Section 62(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) stipulates that the "Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control" This legislative prescript coupled with the obligation to ensure that the resources of the municipality are used effectively, efficiently and economically underlie the implementation of risk management at Theewaterskloof Municipality.

Fraud and Risk management is managed as a shared service of the Overberg District Municipality (ODM) since 1 August 2015, when a Chief Risk Officer (CRO) was appointed. The shared service business model between the municipalities within the district is premised on the delivery of a uniform service under a shared cost model. This model brought about substantial cost-savings as it meant that in-house skills and resources were available with a corresponding reduction on the need for external service providers for the establishment and maintenance of fraud and risk management structures and processes. At local level, the Theewaterskloof Municipality has a local risk champion.

The initiatives and actions performed by the Fraud and Risk Management Unit during 2018/19 include:

- Comprehensive annual departmental risk assessments, involving the heads of department and line managers, which contributed to the compilation of the most detailed risk register to date;
- Started with a district fraud and corruption event library for use during fraud and corruption risk assessments;
- Continuous emphasis on fraud and corruption risks and the related risk action plans;
- Compilation and monitoring of a district fraud and risk management implementation plan;
- Compilation of a District Cross-Cutting Report containing the transversal risks of the municipalities in the Overberg district;
- Reviewed the Fraud Prevention and Anti-Corruption Strategy, Policy and Plan and approved by Council. These documents replaced the outdated Anti-Corruption and Fraud Prevention Plan;
- Engaging and involving all levels of management with the fraud and risk management activities;
- Monthly updates on risk action plans by managers and monitoring by the Fraud and Risk Management Unit.
- Quarterly compilation of the Combined Assurance Model based on the Combined Assurance Policy Framework adopted by Council;
- Comprehensive review of the Fraud and Risk Management Strategy and Fraud and Risk Management Policy to incorporate the new COSO framework Enterprise Risk Management Integrating with Strategy and Performance and document the established fraud and risk management processes of Theewaterskloof Municipality.
- Annual review of the Combined Assurance Policy Framework;
- Performed a Fraud and Risk Management Maturity Assessment to determine the Municipality's maturity level;
- Improved co-operation between the RMU and Internal Audit, reducing duplication, increasing the sharing of risk information and improving assurance coverage, while respecting Internal Auditor's independence;
- Fraud and Risk Management Committee performance evaluation through individual assessments by the members in the form of a questionnaire;
- Adding value of "best practice" developments to the Fraud and Risk Management Committee. Review of the risk register, incident and emerging risks and corrupt, fraudulent and unethical incidents are now standard agenda items for Fraud and Risk Management Committee meetings.
- Fraud and Risk management is now a standing agenda item for Audit and Performance Audit Committee meetings, where the Chief Risk Officer provide feedback.
- KING IV informative presentation to the Fraud and Risk Management Committee and Council.
- Conducted a road show on Fraud and Risk Management throughout the Theewaterskloof Municipality.
- Performed a Business Continuity Framework session
- Developed a Fraud Risk Library with examples of fraud and corruption and one with examples of unethical behaviour.
- Organised an Anti-fraud and corruption training.

RISK MANAGEMENT COMMITTEE

A Fraud and Risk Management Committee (FARMCO) was established by the Municipal Manager on 21 September 2015. The FARMCO is a high level advisory body that assists the Accounting Officer to fulfil his/her responsibilities for Fraud and Risk Management as set out in the MFMA, the Public Sector Risk Management Framework and corporate governance principles. The FARMCO operates within the parameters of a FARMCO Charter.

The FARMCO also oversees the effective implementation of the risk management processes, effective management of identified risks and provides timely and useful enterprise risk management reports to the Municipal Manager and the Audit Committee of the Municipality.

The table below indicates the membership and meeting dates.

TABLE: RISK MANAGEMENT COMMITTEE (RMC)

CAPACITY	MEETINGS
Chairperson: Municipal Manager	19 September 2018
Administrator: OHS & Risk Official	06 December 2018
Director: Finance	14 March 2019
Director: Operations	13 June 2019
Deputy Director: Technical	
Deputy Director: Corporate Services	
Deputy Director: Development Services	
Manager: Human Resources	Specialised Contribution
Manager: Information Technology	Specialised Contribution
3 Councillors as nominated by Council attend and act as observers at each Risk Management Committee	
The Chief Risk Officer of the Overberg District Municipality shared risk management service and Chief Audit Executive of Theewaterskloof Municipality are standing invitees in an advisory and observation capacity	

RISK ASSESSMENTS

The risk assessment process for 2018/19 commenced in February 2018. The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk before taking controls into consideration) as well as residual risks (after taking existing control measures into consideration).

The risk assessment results were submitted to the RMCO on 21 June 2018. The operational risks were recommended for approval by the Municipal Manager who subsequently signed them off and the strategic risks were recommended for approval by Council.

STRATEGIC RISKS FOR THE MUNICIPALITY

Risk Description	Current Controls	Residual Risk	Risk Actions
Sustainable institutional capacity	<ul style="list-style-type: none"> HR Policies Staff Structure Training opportunities (Work skills plan) 	Medium	<ol style="list-style-type: none"> Developing an appropriate and aligned organizational structure. Explore the possibility of launching a productivity assessment (Funding) and assess the optimal utilization of current capacity.
Lack of understanding of Local Government's developmental mandate and unwillingness to cooperate by National Departments	<ul style="list-style-type: none"> Various provincial and national plat forums attended by senior managers, municipal manager and council. Various communication mediums and structures available for IGR related issues 	Medium	<ol style="list-style-type: none"> Respond to any breach of significant and strategic intergovernmental relations issues between National, Provincial and the Municipality. Record audit trail of correspondence between government spheres.
Limited Economic Growth and Over-reliance on the Agricultural sector	<ul style="list-style-type: none"> Outdated LED strategy 	High	<ol style="list-style-type: none"> Update LED Strategy
Management of Housing Demands	<ul style="list-style-type: none"> WC Housing Department - agent agreement. Housing Project Budget System Housing Application Process and Validation. Housing Committee and Public Participation. TWK housing unit - internal processes. 	High	<ol style="list-style-type: none"> Review of Housing Pipeline Ensure Alignment Of The 3 Year Infrastructure Plan With The Housing Pipeline Implementation of Housing Pipeline
Increase Demand for Basic Services within existing Informal Settlements	<ul style="list-style-type: none"> Municipal Capital and Operational Budget. Public Participation Operations Department's maintenance teams. 	Medium	<ol style="list-style-type: none"> Draft an Informal Settlements Operational Plan and Submit to Council.
Inadequate Capital Funding to eradicate Infrastructure Backlog Timeously	<ul style="list-style-type: none"> Maintaining Status Quo (Make due with available resources) 	High	<ol style="list-style-type: none"> Upgrade The Bulk Outfall Sewer In Caledon (Phase 3). Construct A New Waste Transfer Station In Caledon (Phase 2). Construct Riviersonderend Waste Transfer Station And Material Recovery Facility Off Station (Phase 1). Replace And Upgrade MV And LV Networks And Miniature Substation-Villiersdorp. Replace And Upgrade MV And LV Networks –RSE.
Bulk water provision / Water Sustainability	<ul style="list-style-type: none"> Technical Drought Plan General communication - Printed media and radio 	High	<ol style="list-style-type: none"> Install New Infrastructure To Service Destiny Farm Low Cost Housing Development, Villiersdorp.

	<ul style="list-style-type: none"> o Notifications (Possible Water restrictions) o Alternative provision through boreholes o Explore Water Source Alternatives on continuous basis 		2. Upgrade The Waste Water Treatment Works At Caledon Phase 1 (Inlet Works). 3. Develop Bulk contribution policy and submit to council by end May 2019.
Ageing and deterioration of fleet and small plant.	<ul style="list-style-type: none"> o Vehicle monitoring system in place to prevent abuse/misuse of vehicles._Repairs and Maintenance Budget . o Annual limited Capital Acquisitions 	High	1. Upgrade Of Fleet (Detailed budget linked to procurement of specific vehicles in 2018-2019). 2. Report on Procurement Plan (Acquisition of Vehicles). 3. Appoint Service Providers for maintenance and Repairs of fleet.
Slow Recovery of Potential Revenue	<ul style="list-style-type: none"> o Data Cleansing Project. o Credit control and Debt Collection unit 	High	1. Implementation of Revenue Enhancement Framework. 2. Report on Debt Collection Ratio and Credit Control Initiatives.
Non-Compliance with Permit Conditions	<ul style="list-style-type: none"> o Existing Infrastructure _ o Limited Supervision 	High	1. Manage the SLA's pertaining to Waste, Water and Sewerage 2. Report on Operations as so far as budgeting & supervision and maintenance / replacements / upgrades. 3. Explore better allocation of budget and resources to meet compliance requirements (Staff capacity and OPEX).
Unlawful Land Invasion	<ul style="list-style-type: none"> o Squatter control policy o Land Invasion Unit 	High	1. Implementation of SOP for Land Invasions and Illegal Structures.

RISK POLICIES AND STRATEGIES

The Municipality has a Fraud and Risk Management Policy, Fraud and Risk Management Strategy and Fraud and Risk Management Charter in place that was reviewed by FARMCO on 20 March 2018, and Implementation Plan that was reviewed by FARMCO on 21 June 2018 see Council approval below:

TABLE: RISK POLICIES AND STRATEGIES

NAME OF DOCUMENT	DEVELOPED	COUNCIL APPROVAL
	YES/NO	
RMC Charter	Yes	29 May 2018 (Council Resolution C78/2018)
Risk Management Policy	Yes	29 May 2018 (Council Resolution C78/2018)
Risk Management Strategy	Yes	29 May 2018 (Council Resolution C78/2018)
Risk Management Implementation Plan	Yes	26 July 2018 (Council Resolution C109/2018)

2.7 ANTI-CORRUPTION AND FRAUD



FOR FURTHER INFORMATION CONTACT:

0800-701-701

Section 6(2) (c) of the Municipal Systems Act (MSA) states that the municipality must take measures to prevent corruption, section 83(1) (c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m) (i) obligates the municipality to institute supply chain measures to combat fraud and corruption, favouritism and unfair and irregular practices. The Prevention and Combating of Corrupt Activities Act defines corruption and specific corrupt activities and imposes a reporting obligation on the Accounting Officer.

The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings regulates the reporting, investigation and disciplinary proceedings regarding allegations of financial misconduct, including fraud and corruption.

Table: FRAUD PREVENTION AND ANTI-CORRUPTION DOCUMENTS

NAME OF DOCUMENT	DEVELOPED Yes/No	COUNCIL APPROVAL
Fraud Prevention and Anti-Corruption Strategy	Yes	25 October 2018 (Council Resolution C185/2018)
Fraud Prevention and Anti-Corruption Policy	Yes	25 October 2018 (Council Resolution C185/2018)
Fraud Prevention and Anti-Corruption Plan	Yes	25 October 2018 (Council Resolution C185/2018)

The following table provides an overview of the Municipality's implementation strategies:

TABLE 56 IMPLEMENTATION STRATEGIES

KEY RISK AREAS	KEY MEASURES TO CURB CORRUPTION AND FRAUD
Policy	<p>A Fraud Prevention and Anti-Corruption Policy is a key defence mechanism because it emphasises that the Municipality has a formal framework in place to deal with fraud and corruption. It answers key questions such as:</p> <ul style="list-style-type: none"> • What is fraud and corruption? • How do we deal with it when it arises? • What are the roles and responsibilities? • What are the sanctions?
Institutional arrangements	<p>The creation of specific structures (e.g. a fraud and risk committee) and the definition of roles and responsibilities facilitates coordination and management of programme implementation. At municipal level these would include structures such as internal audit and the external audit committees.</p>
Systems and control	<p>With well-structured and documented systems and controls in place gaps and loopholes are nullified that are often used to perpetrate fraud and corruption. These systems and controls also enable monitoring and management mechanisms that will facilitate detection where there are attempts to override or circumvent such systems and controls. Importantly, systems and controls will ensure compliance with policies and regulations. Supply chain management is a good example of where systems and controls are crucial in preventing fraud and corruption</p>
Fraud and corruption risk management	<p>All organisations have systems and controls in place with varying levels of structure and detail. Despite this, organisations are still vulnerable to fraud and corruption because systems and controls are not properly implemented or their inherent gaps and weaknesses can be exploited. Conducting fraud and corruption risk assessments enables organisations to test the integrity and completeness of their systems and controls with a view to implementing measures that strengthen areas of weakness and closing gaps. This approach proactively allows the organisation to prevent fraud and corruption</p>
Training, awareness and communication	<p>Making managers, staff, suppliers and customers aware of the risks of fraud corruption, how to deal with it, what the consequences are and why it is important to prevent and fight it are key weapons in building up an organisational culture that opposes fraud and corruption. Training will make managers and staff aware of what to watch out for so that they do not willingly or unwillingly participate in acts of fraud and corruption. Communicating successes in dealing with fraud and corruption serves as deterrent to others and builds the corporate image of an institution.</p>

2.8 AUDIT COMMITTEE

Section 166 of the MFMA, requires every Municipality to establish and maintain an Audit Committee, as an independent appraisal function. Section 166:

(1) Each municipality and each municipal entity must have an audit committee, subject to subsection (6).

(2) An audit committee is an independent advisory body which must—

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to:

- i. Internal financial control and internal audits
- ii. Risk management
- iii. Accounting policies
- iv. The adequacy, reliability and accuracy of financial reporting and information
- v. Performance management
- vi. Effective governance
- vii. Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation
- viii. Performance evaluation
- ix. Any other issues referred to it by the municipality or municipal entity

Experience has shown that a properly constituted Audit Committee can make an effective and valuable contribution to the process by which an organization is directed and controlled.

The overall objectives of the Audit and Performance Audit Committee (APAC) are to ensure that management has created and maintained an effective control environment in the organization and that management demonstrates and stimulates the necessary respect for the Theewaterskloof Municipality's systems, policies and procedures and for the internal control structure.

The Theewaterskloof Audit Committee is well established and functioning as required.

Date of Committee	Committee recommendations during Year 2018/19	Recommendations adopted (enter Yes) If not adopted (provide explanation)
31-Aug-18	Audit work completed and planned	Yes
31-Aug-18	Adequacy and alignment of insurance portfolio in relation to asset register audit	Yes
31-Aug-18	Solid Waste Fourth Quarter Audit	Yes
31-Aug-18	Compliance Fourth Quarter Audit	Yes
31-Aug-18	Performance Management Fourth Quarter Audit	Yes
31-Aug-18	In-migration leading to land invasions and the increase in informal settlements audit	No - Agenda item referred back for comments from the Director: Operations
31-Aug-18	AdHoc Traffic Security Investigation	Yes

31-Aug-18	2018/2019 Annual SDBIP report of the Office of the Chief Audit Executive	Yes
31-Aug-18	Status of ICT in Theewaterskloof Municipality	Yes
31-Aug-18	Quarterly Risk Management progress report from June 2018 to September 2018	Yes
31-Aug-18	Quarterly Budget Statement for the fourth quarter ending 30 June 2018	Yes
31-Aug-18	Draft Financial Statements for the year ending 30 June 2018	Yes
23-Nov-18	Audit work completed and planned	Yes
23-Nov-18	In-migration leading to land invasions and the increase in informal settlements audit	Yes
23-Nov-18	Compliance First Quarter Audit	Yes
23-Nov-18	Risk Management Audit	Yes
23-Nov-18	Safeguarding of Assets Audit	Yes
23-Nov-18	Internal Audit First Quarter Follow-up Report	Yes
23-Nov-18	Auditor General Report Follow-up	Yes
23-Nov-18	First Quarter 2018/2019 SDBIP Report of the Office of the Chief Audit Executive	Yes
23-Nov-18	Revised standard Operating Procedure: Internal Audit request for information / comments	Yes
23-Nov-18	Quarterly Budget Statement for the first quarter ending 30 September 2018	Yes
23-Nov-18	Minutes of the Fraud & Risk Management Committee Meetings	Yes
23-Nov-18	Progress report - Risk Management Implementation Plan	Yes
23-Nov-18	Performance Management First Quarter Audit	No - Agenda item referred back for management to review their comments on the findings.
18-Jan-19	AdHoc Study Bursary Audit	No - Agenda item to stand over to next meeting for discussion.
18-Jan-19	Ad Hoc Property Rentals Audit	Yes
18-Jan-19	Inventory Audit November 2018	Yes
18-Jan-19	Supply Chain Management first quarter audit	Yes
18-Jan-19	Municipal Animal Pound	Yes
18-Jan-19	Revised annual risk based internal audit plan 2018/2019	No - Agenda item referred back to be discussed with Management before submission to the Performance Audit and Audit Committee
18-Jan-19	2017/2018 Annual Report	Yes
18-Jan-19	Auditor General's report for the 2017/2018 financial year	Yes
8-Mar-19	Performance- and Audit Committee Resolutions Followed-up	Yes
8-Mar-19	Audit work completed and planned	Yes
8-Mar-19	Performance Management First Quarter Audit	Yes
8-Mar-19	AdHoc Study Bursary Audit	Yes

8-Mar-19	Solid Waste Second Quarter Audit	Yes
8-Mar-19	Performance Management Second Quarter Audit	Yes
8-Mar-19	Waste Water Treatment Audit	Yes
8-Mar-19	Internal Audit Second Quarter Follow-up Report	Yes
8-Mar-19	Revised annual risk based internal audit plan 2018/2019	Yes
8-Mar-19	Internal Audit Methodology	Yes
8-Mar-19	Second Quarter Top Layer SDBIP Report	Yes
8-Mar-19	Second Quarter SDBIP Office of the Chief Audit Executive	Yes
8-Mar-19	Minutes of the Fraud & Risk Management Committee Meetings	Yes
8-Mar-19	Progress report - Risk Management Implementation Plan	Yes
8-Mar-19	Quarterly Budget Statement for the second quarter ending 31 December 2018	Yes
8-Mar-19	The Audit Committee's role in financial analysis in municipalities	Yes
8-Mar-19	Status of ICT in Theewaterskloof Municipality	Yes
8-Mar-19	Auditor General Report Follow-up	Yes
7-Jun-19	Performance- and Audit Committee Resolutions Followed-up	Yes
7-Jun-19	Audit work completed and planned	Yes
7-Jun-19	Compliance to Acts Second Quarter Audit	Yes
7-Jun-19	Compliance to Acts Third Quarter Audit	Yes
7-Jun-19	Performance Management Third Quarter 2018/2019 Audit	Yes
7-Jun-19	Maintenance on Proclaimed Roads Audit	Yes
7-Jun-19	Supply Chain Management second quarter audit	Yes
7-Jun-19	Internal Audit Third Quarter Follow-up reports	Yes
7-Jun-19	Internal Audit Evaluations	Yes
7-Jun-19	Performance- and Audit Committee Evaluations	Yes
7-Jun-19	Annual Internal Audit Plan 2019/2020	Yes
7-Jun-19	Performance Management Third Quarter Top Layer Report	Yes
7-Jun-19	Third Quarter 2018/2019 SDBIP report of the Office of the Chief Audit Executive	Yes
7-Jun-19	Minutes of the Fraud & Risk Management Committee Meetings	Yes
7-Jun-19	Progress report - Risk Management Implementation Plan	Yes
7-Jun-19	Quarterly Budget Statement for the third quarter ending 31 March 2019	Yes
7-Jun-19	Ration Analysis Report	Yes
7-Jun-19	Status of ICT in Theewaterskloof Municipality	Yes
7-Jun-19	Auditor General Report Follow-up	Yes
7-Jun-19	Audit Action Plan for the 2017/2018 financial year	Yes
7-Jun-19	Auditor General's powers	Yes
7-Jun-19	Performance- and Audit Committee Meeting Schedule	Yes

2.8 .1 PERFORMANCE AND AUDIT COMMITTEE REPORT

2018/2019 ANNUAL REPORT OF THE PERFORMANCE AUDIT AND AUDIT COMMITTEE

Speaker, Madam Mayor, Members of Council, The Municipal Manager, Directors, Ladies and Gentleman, it is my duty to deliver the annual report of the Performance Audit and Audit Committee (PAC) to Council for the financial year ending 30 June 2019.

Performance Audit and Audit Committee

As a statutory, independent committee its duties and responsibilities are clearly articulated in the Municipal Finance Management Act, Act 56 of 2003 and the PAC Charter as approved by Council.

The current PAC was appointed on 1 November 2018.

The PAC consisted of four (4) independent members who are all appropriately qualified, who are financially literate and who are acquainted with the Risk Management and Performance Management disciplines.

The new PAC members attended an induction session on 16 November 2018.

The PAC conducted self-assessments during April 2019 in order to measure its performance. Input from Management was part of the assessment process. The results of the assessments were reviewed and discussed at the PAC Meeting of 7 June 2019. The outcome of the review was satisfactory.

The PAC went on a field trip on 17 May 2019 and visited the Villiersdorp Waste Water Treatment Works, Villiersdorp Transfer and Recycling Station, Villiersdorp Destiny Capital Projects, Grabouw Transfer Station & Waste Water Treatment Works and the Grabouw Steenbras Reservoir. The PAC felt that improvements have been made and appreciated the field trip.

The PAC held 6 (six) meetings during the financial year under review. These meetings were well attended by PAC Members, Directors, Members of the Audit Team and Representatives from the Auditor-General's Office, Chairperson of the Finance Portfolio Committee and Councillors nominated by Council to attend the meetings.

Dates of Performance Audit and Audit Committee meetings:

- 29 August 2018 – Old Committee
- 31 August 2018 – Old Committee
- 23 November 2018 – New Committee
- 18 January 2019 – New Committee
- 8 March 2019 – New Committee
- 7 June 2019 – New Committee

Name of Member – Old Committee	Number of Meetings Attended
E Lakey (Chairperson)	2
A Pienaar	2
GN Lawrence	2
Name of Member – New Committee	Number of Meetings Attended
R Gani (Chairperson)	4
KE Montgomery	4
EP Lakey	2
W Zybrands	4

Ms KE Montgomery tendered her resignation from the committee on 23 June 2019.

Internal Audit

In terms of the IIA (Institute of Internal Auditors) standards, the Internal Audit unit must undergo an internal quality assessment. In April 2019 the PAC and the Management Team evaluated the Internal Audit unit. The results of the evaluations were discussed at the PAC meeting of 7 June 2019.

In general, the PAC is satisfied that the Internal Audit resources are adequate and the department is effective.

The PAC reviewed the functional and administrative reporting lines of the Internal Audit Department and sent an e-mail to the Mayor and the Municipal Manager on 10 June 2019 recommending that there should be a solid reporting line (functional) of the Chief Audit Executive to the PAC and a dotted line of the reporting (administrative) of the Chief Audit Executive to the Municipal Manager. The Organogram needs to indicate the Accounting Authority which is Council with a line showing the Council appointment of the independent PAC. The PAC noted that this has not been done yet.

In line with the MFMA, Internal Audit provides the PAC and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by a risk based Internal Audit plan, internal audit assessing the adequacy of controls, mitigating the risks and the PAC monitoring implementation of corrective actions.

The Internal Audit Department conducted 25 planned internal audits during the year under review and completed 100% of the audits identified on the risk based internal audit plan for 2018/2019:

- 162 findings were made;
- 11 of these findings were regarded as significant (serious) and three of these findings were resolved and eight are still in progress.
- The remaining 151 findings were regarded as housekeeping (minor transgressions which could easily be rectified) and remain the responsibility of administration to address and the PAC to oversee.

The following internal audits were planned and completed during the year under review:

- Supply Chain Management 4th Quarter 2017/2018
- Performance Management 4th Quarter 2017/2018
- Compliance to Acts Assessment 4th Quarter 2017/2018
- Safeguarding of Assets Audit
- Solid Waste 1st Quarter 2018/2019
- Inventory First Review 2018/2019
- Supply Chain Management 1st Quarter 2018/2019
- Compliance to Acts Assessment 1st Quarter 2018/2019
- Solid Waste 2nd Quarter 2018/2019
- Waste Water Audit
- Performance Management 1st Quarter 2018/2019
- Risk Management Audit
- Supply Chain Management 2nd Quarter 2018/2019
- Performance Management 2nd Quarter 2018/2019
- Solid Waste 3rd Quarter 2018/2019
- Inventory Second Review 2018/2019
- Compliance to Acts Assessment 2nd Quarter 2018/2019
- Maintenance on Roads

- Supply Chain Management 3rd Quarter 2018/2019
- Performance Management 3rd Quarter 2018/2019
- Solid Waste 4th Quarter 2018/2019
- Compliance to Acts Assessment 3rd Quarter 2018/2019
- Land Invasions Audit
- Cash Management and Investment Audit
- Ad Hoc Property Rentals Audit

The Effectiveness of Internal Control

Internal control is the system of controls and directives that are designed to provide cost effective assurance that assets are safeguarded, that liabilities and working capital are efficiently managed and that the municipality fulfils its mandate, in compliance with all relevant statutory and governance duties and requirements.

The PAC reviewed all the Internal Audit reports. Other than the matters highlighted below, no material deficiencies in the system of internal control were noted.

During the year key control deficiencies were noted by Internal Audit in the following areas:

1. Safeguarding of assets against vandalism and theft (1 finding);
2. Inventory (1 finding);
3. Solid Waste (1 finding);
4. Land Invasions (6 finding); and
5. Property Rentals (2 finding).

Significant Findings made were:

1. Safeguarding of assets against vandalism and theft:
 - Internal audit visited the municipal properties of all the towns to inspect the properties and check if it is safeguarded against vandalism and theft. It seems that there is a lack of control regarding the safeguarding of the following properties against vandalism and theft: Riviersonderend Workshop, Botrivier Library, Botrivier Reservoir / Waterworks, Botrivier Sewerage Plant, Botrivier Boorgat 6, Caledon Town Office, Caledon Victoria Hall, Caledon Workshop, Caledon Tennis Club, Caledon Badskop Pump station, Caledon Nature Garden, Caledon Baronsbos Boorgat, Grabouw Wesselsgat Pump station, Grabouw Worcester Pump station, Grabouw Upper Steenbras Reservoir, Grabouw Lower Steenbras Reservoir, Grabouw Uitkyk Reservoir, Greyton Offices & Genadendal Workshop.
2. Inventory:
 - According to the Inventory SOP: End Users must evaluate project and operational vote numbers to ensure that overspending on the relevant vote numbers does not occur. It seems that votes are not monitored for overspending as there was overspending at all the stores, except Genadendal Store, for the 2018/2019 financial year.
3. Solid Waste:
 - According to the Condition 6.12 of the Permit for the Villiersdorp Transfer Station: "Waste deposited at the Facility may not be allowed to burn and suitable measures shall be implemented to prevent fires at the Facility or extinguish fires which may occur." At the time of the audit, it was observed that the people reclaiming waste, made fire right next to the Transfer station

4. Land Invasions:

- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 5.4: "Only one structure will be allowed on an allocated plot." According to the Manager: Human Settlement there are instances where there is more than 1 structure on an allocated plot.
- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 5.5: "Any half built and unoccupied structures that needs to be demolished, must be marked in an orange flurescent colour and be demolished after all processes have been followed. Any new unoccupied structures that occur within 24 hours must be immediately demolished with full photographic evidence." As per the Manager: Human Settlement it is difficult for the Squatter Control officer to mark the structures because the dwellers put paint over the marks or turn the sides around.
- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 11.2: "The Squatter Control Officer must perform daily visual inspection of informal settlements to detect unlawful squatting /invasions and the building of any illegal structures/buildings and report to Town Manager, Manager Human Settlements, Head Migration and Stakeholder Management and Regional Inspector Special Operations Unit." It seems like the Squatter Control Officer is not able to perform daily inspections as required by the SOP and only performs ad hoc inspections.
- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 15: "The Inspector Special Operations Unit must: Take pictures on a daily basis of illegal activities and keep records of each activity; Reporting illegally occupied sites to Principal Special Operations Officer; Compiling of detailed reports of any illegal structures or any illegal land invasions and reporting to Principal Special Operations Officer; Reporting of occupied structures which form part of an informal settlement, which give rise to complaints and cause problems to the Principal Land Management Officer; Written record keeping during land invasion operations; Ensure Photographical evidence for record keeping." Internal Audit could not confirm compliance to any of the above requirements as no supporting evidence / audit trail could be provided to Internal Audit.
- According to the Informal Settlement Management & Prevention of Illegal Occupation of Land SOP Paragraph 16: "The Principal Inspector Special Operations must: Compile a detailed report of all informal areas and submit to the Regional Inspector Special Operations on a weekly basis; Detailed occurrence book report at SAPS; Send a detailed daily report of all incidents reported to the Regional Inspector Special Operations unit who will distribute it to management." Internal Audit could not confirm compliance to any of the above requirements as no supporting evidence / audit trail could be provided to Internal Audit.
- The Informal Settlement Management & Prevention of Illegal Occupation of Land SOP states all the information that should be included in the occurrence books and daily reports. It seems that there are not occurrence books kept and daily reports are not compiled as these could not be provided to Internal Audit

5. Property Rentals:

- Internal audit requested the rental and encroachment registers from the Property Management Department. Internal audit also requested a report from the revenue department that indicates all the properties that is charged for rental or

encroachment on Phoenix. There are 176 rentals and encroachments on the Property Management registers. It seems that 36 (20%) of those are not charged for rental or encroachment on Phoenix. There are 303 accounts on Phoenix where an amount is charged for rentals or encroachments. It seems that 171 (56%) of those are not on the Property Management registers.

- Internal audit requested the rental and encroachment registers from the Property Management Department for audit. There are 176 rentals and encroachments on the Property Management registers. It seems that 50 (28%) of the contracts have expired and new contracts have not been finalised.

Corrective actions have been agreed to by management and the Municipal Manager and are being monitored by the PAC.

Risk Management

The PAC is well informed and satisfied with reports regarding the Status of Risk Management in TWK. The minutes of the Fraud and Risk Management Committee as well as the Risk Management Implementation Plan are presented to the PAC on a quarterly basis.

Based on the reports reviewed, the PAC makes recommendations on risk areas identified to be included in the risk registers.

The Risk Management Implementation Strategy along with the Risk Management Policy serves as induction documentation for new employees. Constant interaction with Departments in terms of risk contributes towards risk awareness.

The municipality has updated Strategic and Operational Risk Registers.

Performance Management

The PAC have reviewed the 2017/2018 Annual Performance Report of the municipality as well as the quarterly SDBIP Performance Reports submitted to it by the Internal Audit Department. Based on the discussions and assurances obtained, the PAC is satisfied with the Performance Management System of the municipality.

The Chairperson of the PAC attended the annual performance evaluations of the section 56/57 appointments and was satisfied with the course of the event.

Compliance with Legislation

The PAC is well informed and satisfied with reports regarding the Status of Compliance with Legislation in TWK. A compliance report is presented to the PAC on a quarterly basis containing the following legislation:

- Supply Chain Management Regulations;
- Municipal Finance Management Act;
- Planning and Performance Management Regulations;
- Investment Regulations;
- Budget and Reporting Regulations;
- Property Rates Act;
- Municipal Structures Act;
- Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers;
- Municipal Systems Act; and
- Disaster Management Act.

Evaluation of Financial Statements

The PAC is satisfied that the financial information presented to them was adequate and reliable.

The PAC has:

- reviewed and discussed the budget statements (section 71 reports) on a quarterly basis;
- reviewed, discussed and provided input on the unaudited draft Annual Financial Statements on 30 August 2019 prior to submission to the Auditor-General. The draft AFS were methodically scrutinised with the CFO.
- reviewed the process followed in the preparation of the Annual Financial Statements
- reviewed the processes for compliance with legal and regulatory provisions.
- reviewed the Financial Ratio Report as prescribed by National Treasury Circular 71
- reviewed the skills and adequacy of staff in the Finance Department

Auditor-General

The PAC discussed the following documents with the Auditor-General:

- The 2017/2018 audit strategy;
- The report of the Auditor-General for the 2017/2018 audit.

The PAC provided oversight over the quarterly reports regarding the status of the Audit Action Plan (Containing actions to be taken to resolve findings made by the Auditor-General in the 2017/2018 Management Report)

The amendments to the Public Audit Act was presented to the PAC and discussed in depth.

Information and Communication Technology

The ICT Steering Committee chairperson (Municipal Manager) reports to the PAC on the status of Information and Communications Technology on a quarterly basis. This report includes the status of ICT Governance, ICT Risk Management and ICT Systems Performance. The PAC would like to highlight the ICT Security risk with respect to cyber-crimes and the administration has agreed to prioritise this risk and address it.

General

The PAC is concerned regarding the funding for the rehabilitation of Solid Waste sites and have highlighted this as a risk for the Municipality. Management have indicated that they will address this and the PAC will provide oversight.

The PAC raised their concern over the vacancies of the Senior Managers (for the whole of the 2018/2019 financial year) and highlights the risk that Deputy Directors are taking responsibility for execution of the Senior Managers' KPI's.

Appreciation

The PAC wishes to express its appreciation to the Management of the Municipality and the Internal Audit Department for the co-operation and information they have provided to enable us to compile this report.

The regular attendance of the PAC meetings by the Executive Mayor is appreciated.

Ms R Gani
Chairperson of the Performance- and Audit Committee
October 2019

DRAFT

2.9 SUPPLY CHAIN MANAGEMENT

The municipality's SCM policy states that "All user departments are required to submit their procurement plans by end of April, for the following financial year to the Manager Supply Chain Management to improve planning and management of resources".

SCM implemented a system in conjunction with Provincial Treasury and the Western Cape Supplier Database to ensure that prospective supplier ID numbers are run through the persal system to avoid non-compliance.

SCM assisted suppliers to register on E-filing at SARS to obtain valid Tax Clearance certificates in a quicker and more efficient way in order for them to register on our database and be compliant for any quotations and tenders advertised/awarded.

In order to supply goods or provide services to the municipality, the business needs to be registered on the Supplier Database. The business is then able to quote and bid for services and goods as advertised by the municipality.

What is a Quotation?

A quotation is an informal offer to perform work, render a service or supply goods at a price. Request for Quotation (RFQ) is a form of procurement where processes and procedures have been relaxed in accordance with pre-determined transactional ceiling costs.

What is a Bid?

A bid, previously called a tender, is a formal offer to perform, render a service or supply goods at a price. The bidding process is a detailed, document driven process, which requires the potential supplier to complete and submit a document within a predetermined timeframe.

Get registered

In order to register, you will need the following:

- A valid Tax Clearance Certificate (TAC) obtainable from the Receiver of Revenue (SARS).
- A credible bank account.
- Registered with the appropriate Industry Regulatory body for your specific industry (e.g. attorney with the law society), where applicable.
- BEE Certificate, where applicable

Complete Supplier Registration forms available from municipal offices.

Access bids or quotations via:

- Our website
- Notice boards
- Newspapers

Tips for Completing/Submitting Your Offer

- Read documents carefully and provide all information requested.
- Attach all requested documentation (eg Tax Clearance Certificate).

- Ensure that you have provided the correct price and details for your office.
- Answer all questions truthfully, if you get caught it may disqualify your offer and lead to further action.
- When in doubt, enquire on the information requested.
- Ensure that you are able to meet all the requirements within the specified time and can thus honour the conditions of the contract.
- Ensure that your offer (quotation or bid) is deposited at the closing destination before the closing time.
- HDI supplier must ensure that they claim their preference points by completing the required documentation and attaching the necessary momentary proof.
- Ensure that your bid document is deposited in the correct bid (tender) box.
- Ensure that bid documents are signed on the indicated areas.
- Be aware of "fronting" scams ("fronting" - The utilisation of HDIs for the purpose of obtaining preference points when bidding for government bids or quotations without any real empowerment of the HDI).

2.10 BY-LAWS

No bylaws were amended during the 2018/2019 financial year.

2.11 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the Municipal Finance Management Act (MFMA).

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated. The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation.

It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's communication strategy.

The table below gives an indication about the information and documents that are published on our website:

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Draft Budget 18/19 - 29/03/2018 Final Budget 18/19 - 30/05/2018 Adjustment Budgets 18/19 - 29/08/2018 - 2/11/2018 - 27/2/2019
All current budget-related policies	Yes	Final Budget 18/19 - 30/05/2018
The previous annual report (Year 2017/18)	Yes	30/01/2019
The annual report (Year 2018/19) published/to be published	Yes	30/01/2020
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2018/19) and resulting scorecards	Yes	Director: Financial Services - 31/10/2018 Director: Operations - 10/07/2019 Municipal Manger : 10/07/2018
All service delivery agreements (Year 2018/19)	Yes	Monthly as per policy
All long-term borrowing contracts (Year 2018/19)	Yes	Monthly as per policy
All supply chain management contracts above a prescribed value for Year 2018/19	Yes	Monthly as per policy
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2017/18	No	
Contracts agreed in Year 2018/19 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	
Public-private partnership agreements referred to in section 120 made in Year 2018/19	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2018/19	Yes	Quarter 1 - 29/10/2019 Quarter 2 - 15/01/2019 Quarter 3 - 29/07/2019 Quarter 4 - 27/07/2019
Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.		

T2.10.1

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No surveys were conducted during the 2018/19 financial year due to the lack of funding. Various request for funding was submitted to potential donors; however by 30 June 2019 no positive response was received.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)



INTRODUCTION

The Annual Performance Report is prepared and submitted in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 providing guidelines on the Annual Report. The Annual Performance Report covers the performance information from 01 July 2018 to 30 June 2019 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP). The report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) for 2018/2019. The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area as well as the performance per Municipal Directorate.

The Following are the Municipalities Key Performance Areas:

Basic Service Delivery
Financial Viability
Good Governance
Institutional Development
Local Economic Development

LEGISLATIVE BACKGROUND

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

A municipality must prepare for each financial year a performance report reflecting—

- a) the performance of the Municipality and each external service provider during that financial year;
- b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- c) measures taken to improve performance.

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance

PERFORMANCE SUMMARY

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at Directorate levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

MFMA Circular No.13 prescribes that:

The IDP and budget must be aligned;

The budget must address the strategic priorities;

The SDBIP should indicate what the municipality is going to do during next 12 months; and The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes

The Top Layer SDBIP and its targets cannot be revised without notifying the council therefore all changes made in service delivery targets and performance indicators must be done with the approval of the council, following approval of an adjustments budget.

Council approval is necessary to ensure that the Mayor or Municipal Manager do not revise targets downwards in the event where there is poor performance.

The following elements necessitated the revision of the SDBIP:

The adjustment budget:

1. The adjustment budget was tabled and adopted by council on 21 February 2019.
2. Auditor general's recommendation on the 2017/18 Performance Audit.
3. The revision process was as follows:
4. One on one sessions were held with all the directors and their heads of departments where KPIs were drafted to ensure consistency with planned objectives, indicators, targets and also to ensure that the KPI's and targets set are based on the SMART principles.

The table below provides a summarised explanation of the performance measurement of Theewaterskloof Municipality

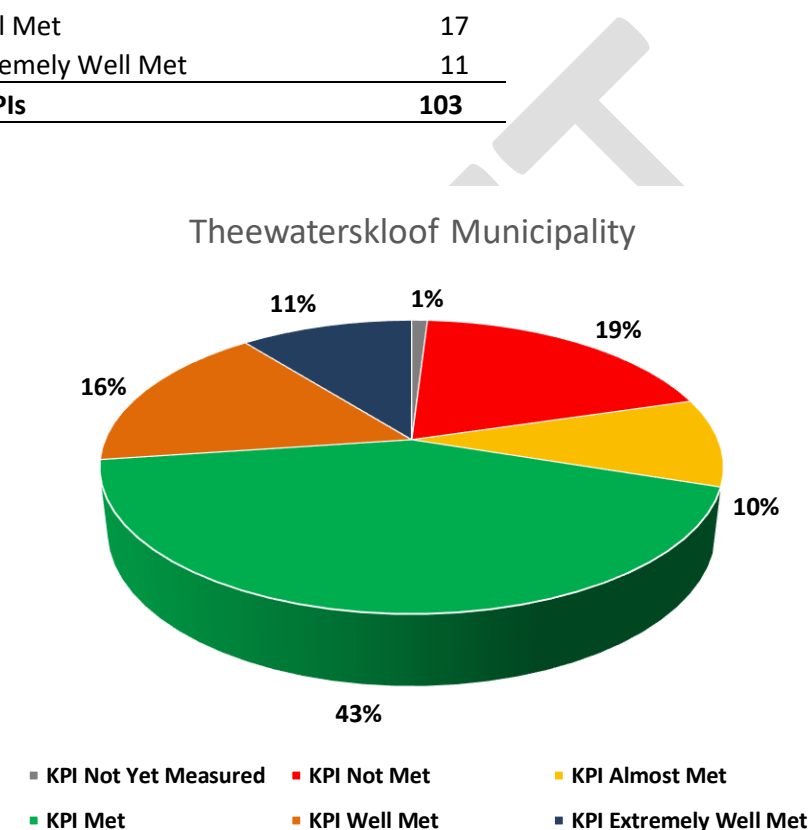
Category	Colour	Explanation
KPI Removed during Adjustment Budget		KPI's with no targets or actuals in the selected period
KPI Not Met		0% >= Actual/Target < 75%
KPI Almost Met		75% >= Actual/Target < 100%
KPI Met		Actual/Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target >=150%

2018/2019 PERFORMANCE RESULTS

The following section will focus on the performance results achieved during the 2018/19 financial year.

Summary of Results

KPI Not Yet Measured	1
KPI Not Met	20
KPI Almost Met	11
KPI Met	43
KPI Well Met	17
KPI Extremely Well Met	11
Total KPIs	103

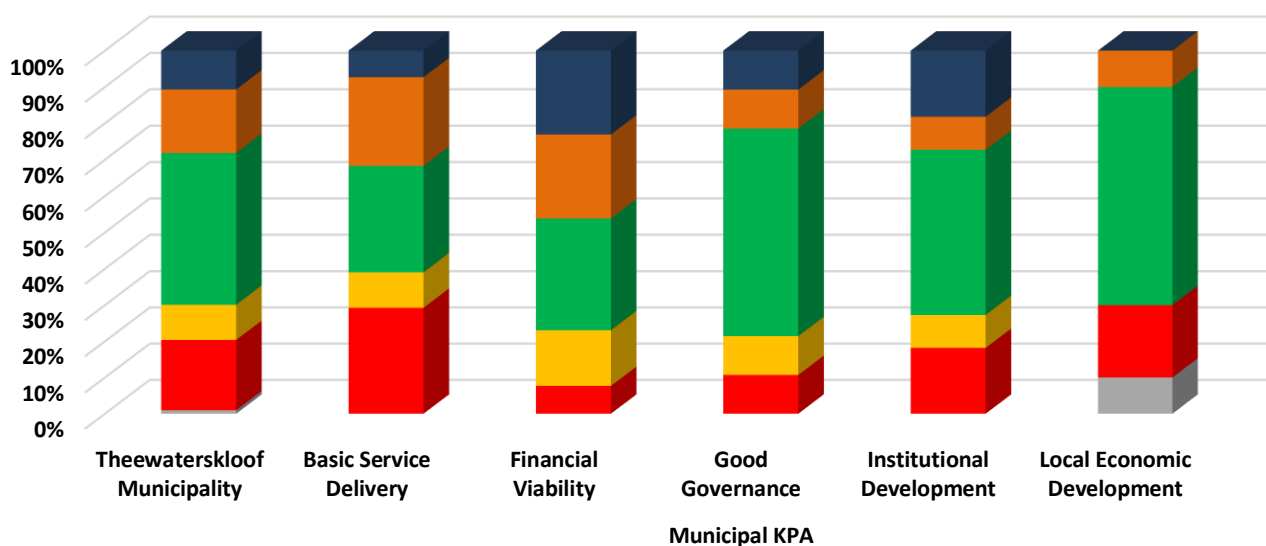


Theewaterskloof had a total of 103 Top layer KPI's that was measured during the 2018/19 financial year. 70% of all KPI's were either achieved or achieved above the expected target, 10% was almost achieved whilst 19% was not achieved. 1% of the Top Layer KPI's were not measured. This is a huge improvement on the performance of 2017/18 (60.56%) increasing achievement by approximately 10%.

Results per Municipal KPA

	Theewaterskloof Municipality	Municipal KPA				
		Basic Service Delivery	Financial Viability	Good Governance	Institutional Development	Local Economic Development
KPI Not Yet Measured	1	0	0	0	0	1
KPI Not Met	20	12	1	3	2	2
KPI Almost Met	9	4	2	3	1	0
KPI Met	44	12	4	16	5	6
KPI Well Met	18	10	3	3	1	1
KPI Extremely Well Met	11	3	3	3	2	0
Total:	103	41	13	28	11	10

Performance Per Municipal KPA

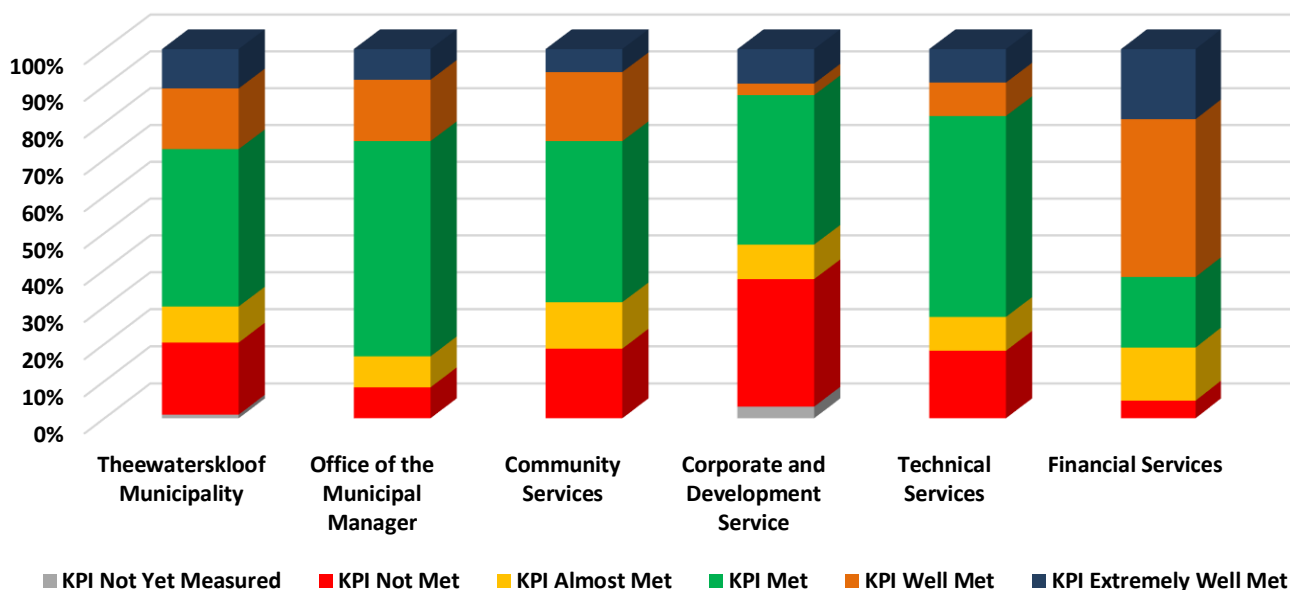


The Table above is indicative that during the target setting the municipality placed its largest focus on Basic Service and Delivery Governance with 41 and 28 targets set respectively. The municipality achieved more than 60% of the targets in all of its key performance areas. The lowest percentage achievement was in the Basic Service Delivery category, where the municipality only achieved 61% of the targets set.

Performance per Municipal Directorate

	Office of the Municipal Manager	Community Services	Corporate and Development Service	Technical Services	Financial Services
KPI Not Yet Measured	0	0	1	0	0
KPI Not Met	1	3	11	4	1
KPI Almost Met	1	2	3	2	3
KPI Met	7	7	13	12	4
KPI Well Met	2	3	1	2	9
KPI Extremely Well Met	1	1	3	2	4
	12	16	32	22	21

Performance Per Directorate



The Office of the Municipal Manager was the best performing department in terms of the SDBIP achieving 83% of their targets set, followed with the Financial Services Department, either achieving or exceeding 81% and Technical Services achieving 73% of the targets set by the Municipality.

The following table will reflect on the performance against specific individual KPI's:

Theewaterskloof Municipality

Office of the Municipal Manager

SDBIP 2018/2019: ANNUAL PERFORMANCE REPORT

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL1	To provide democratic, responsive and accountable government for the local communities	Institutional Development	Sign Performance Agreements Of All Sec 56/57 Employees By End July 2018	Number Of Performance Agreements Signed	2	2	Signed Agreements	4	3	Accumulative	3	3	G	
TL2	To provide democratic, responsive and accountable government for the local communities	Institutional Development	Bi-annual Formal Performance Appraisals Of All Sec 56/57 Employees For The Previous Financial Year To Be Completed By September 2018 And Current Financial Year July To December 2018 To Be Completed By February 2019	Number Of Appraisals	4	4	Notice Of Appraisals To Panel And Top Management Team	10	6	Accumulative	6	0	R	All 6 formal appraisals was done, it was however done in May 2019. This was done to save cost in convening twice. To prevent late evaluations the performance appraisals have been brought onto the time schedule for the 2019/2020 financial year.

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL3	To provide democratic, responsive and accountable government for the local communities	Good Governance	Submit Annual Report And Oversight Report To Council Before 31 March 2019	Final Annual Report And Oversight Report Completed	1	1	Council Minutes	2	2	Accumulative	2	2	G	
TL4	To provide democratic, responsive and accountable government for the local communities	Good Governance	Prepare The Final IDP For Submission To Council By End May Annually	Final IDP Submitted	1	1	Council Minutes	1	1	Carry Over	1	1	G	
TL5	To provide democratic, responsive and accountable government for the local communities	Good Governance	Submit The Annual Performance Report To The AG By End August 2018	Annual Performance Report Submitted	1	1	Confirmation Of Receipt From AG	1	1	Carry Over	1	1	G	
TL6	To provide democratic, responsive and accountable government for the local communities	Good Governance	Submit The Final MTRF Budget To Council By The End Of May Annually	Budget Submitted	1	1	Council Minutes	1	1	Carry Over	1	1	G	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL47	To provide democratic, responsive and accountable government for the local communities	Good Governance	Execute The Internal Audit Programme	Number Of Audits Completed And Submitted To Audit Committee	28	34	Minutes Of Audit Committee With Audit Reports	27	27	Accumulative	27	29	G2	
TL48	To provide democratic, responsive and accountable government for the local communities	Good Governance	Audit The Progress Of The Action Plan To Address AG Findings Annually	Number Of Audits Completed	2	2	Minutes Of The Management Meeting With Audit Reports	2	2	Accumulative	2	2	G	
TL62	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Improve Staff Retention	% Of Vacant Funded Post. (total Number Of Permanent Employees / Number Of Funded Post)*100	New Kpi		Report From Payday	85%	85%	Stand-Alone	85%	92.26%	G2	
TL63	To provide democratic, responsive and accountable government for the local communities	Good Governance	Improve The Functionality Of The MPAC Committee	Number Of MPAC Meetings Convened	New Kpi		MPAC Minutes	4	3	Accumulative	3	3	G	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL73	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Percentage Of Municipality's Capital Budget Actually Spent On Capital Projects Identified For 2018/19 In Terms Of The Municipality's IDP{(actual Amount Spent On Capital + Commitments /total Amount Budgeted For Capital Projects)x100	% Capital Spent	New Kpi		S71 Report And Financial Statements	90%	90%	Last Value	90%	87%	O	Procurement Plan to be strictly monitored to ensure that all projects start on time and improve capital expenditure
TL88	To provide democratic, responsive and accountable government for the local communities	Good Governance	Submit Funding For Client Satisfaction Survey To Potential Donors	Application Letter Submitted	New Kpi		Management Minutes	1	1	Last Value	1	2	B	

	KPI Not Yet Measured	0
	KPI Not Met	1
	KPI Almost Met	1
	KPI Met	7
	KPI Well Met	2
	KPI Extremely Well Met	1
Total KPIs		12

Technical Services

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL 27	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Limit Distribution Losses For Electricity To Below 8.4% By 30 June 2019	% Of Unaccounted For Electricity	8.4	4.15	Distribution Losses Report (electricity Bought And Sold)	8.40 %	8.40%	Reverse Last Value	8.40 %	6.71 %		
TL 49	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Destiny: Bulk Sewer: Install New Infrastructure To Service Destiny Farm Low Cost Housing Development, Villiersdorp	Percentage Completed As Per Project Plan	New Kpi		Completion Certificate	100 %	100%	Last Value	100 %	85%	O	The initial intention was to measure a phase of the project as its unrealistic to think that twk would be able to complete the entire project within one financial year. The Phase was in fact 100% complete which translate to 85% of the total project.
TL 50	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Destiny: Bulk Water: Install New Infrastructure To Service Destiny Farm Low Cost Housing Development, Villiersdorp	Percentage Completed As Per Project Plan	New Kpi		Completion Certificate	100 %	100%	Last Value	100 %	53%	R	The initial intention was the measure a phase of the project as its unrealistic to think that twk would be able to complete the entire project within one financial year. The Phase was in fact 100% complete which translate to 53% of the total project.

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL 51	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Destiny Farm Access Road: Complete Access Road To Destiny Farm Low Cost Housing Development, Villiersdorp	Percentage Completed As Per Project Plan	New Kpi		Completion Certificate	100 %	100%	Last Value	100 %	18%	R	The initial intention was the measure a phase of the project as its unrealistic to think that twk would be able to complete the entire project within one financial year. The Phase was in fact 100% complete which translate to 53% of the total project.
TL 52	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Upgrade The Waste Water Treatment Works At Caledon Phase 1 (Inlet Works)	Percentage Completed As Per Project Plan	New Kpi		Site Meeting Minutes/ Completion Certificate	100 %	100%	Last Value	100 %	100 %	G	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL53	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Upgrade The Bulk Outfall Sewer In Caledon (Phase 3)	Percentage Completed As Per Project Plan	New Kpi		Site Meeting Minutes/ Completion Certificate	100 %	75%	Last Value	75%	0%	R	Designs Completed. Tendered advertised and contractor appointed. Project suspended for 2018/19 due to issues with land owner.
TL54	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Construct A New Waste Transfer Station In Caledon (Phase 2)	Percentage Completed As Per Project Plan	New Kpi		Completion Certificate (Phase 2)	25%	30%	Last Value	30%	100%		
TL55	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Construct Riviersonderend Waste Transfer Station And Material Recovery Facility Off Station (Phase 1)	% Of Project Plan Implemented	New Kpi		Completion Certificate (Phase 1)	25%	25%	Last Value	25%	25%	G	
TL56	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Upgrade Of Fleet	R-value Of Budget Spent	New Kpi		Delivery Notes Invoices	R 2,403,922	R 2,403,922	Carry Over	R 2,403,922	R 2,461,590	G 2	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL58	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Replace And Upgrade MV And LV Networks And Miniature Substation-Villiersdorp	% Of Project Completed	New Kpi		Completion Certificate	100%	100%	Last Value	100%	100%	G	
TL59	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Replace And Upgrade MV And LV Networks -RSE	% Of Project Completed	New Kpi		site Meetings Minutes And Handover Certificate	100%	100%	Last Value	100%	100%	G	
TL60	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Install Security Fencing Switching Stations Caledon And Villiersdorp	% Of Project Completed	New Kpi		Completion Certificate	100%	100%	Last Value	100%	100%	G	
TL61	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Planning For Upgrading Of Electricity Infrastructure For Informal Settlement Destiny Villiersdorp	Report (Plan) Received From Consultant	New Kpi		Report From Consulting Engineer	1	1	Carry Over	1	1	G	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL67	To provide democratic, responsive and accountable government for the local communities	Financial Viability	Quarterly Report On Waterlosses To Management	Number Of Reports Submitted To Management	2	2	Management Minutes	4	4	Accumulative	4	4	G	
TL68	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Upgrade The Waste Water Treatment Works At Caledon Phase 2 (Bio Reactor)	% Project Completed	New Kpi		Completion Certificate	25%	35%	Last Value	35%	25%	R	The department achieved the initial intended target of 25%. Only the date was to be changed.
TL69	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	100% Municipal Infrastructure Grant Expenditure	% MIG Allocation Spent	100	99%	MIG Monthly And Quarterly Report	100%	100%	Carry Over	100%	99.90%	O	In the new financial year we will not put a target of 100% since not all project will attain a 100% expenditure, sometimes there will be savings equalling the notion that we did not achieve or target. These savings needs to be kept in mind when drafting the KPI of the SDBIP and should we rather aim to achieve 95% budget spent. (June 2019)
TL78	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Ensure Alignment Of The 3 Year Infrastructure Plan With The Housing Pipeline	Signed Letter Of Agreement By Both Parties	New Kpi		Signed Letter	1	1	Carry Over	1	1	G	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL95	To provide democratic, responsive and accountable government for the local communities	Good Governance	Spent 95% Of Approved Capital Budget (excluding Fleet)	95% Of Approved Capital Budget Spent	New Kpi		S71 Report and Capital Report from Financial Services	95%	95%	Last Value	95%	96%	G 2	
TL99	Improved Environment Management	Basic Service Delivery	Report To Council On The Blue And Greendrop Status	Report Submitted To Council	New Kpi		Council Minutes With Report From DWS	1	1	Accumulative	1	1	G	
TL100	Improved Environment Management	Basic Service Delivery	Submit Application For Funding For Landfill Sites To Potential Donors	Funding Application Submitted To Potential Donors	New Kpi		Funding Application Letter	1	1	Accumulative	1	1	G	
TL101	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Submit Funding Application For Energy Saving Streetlights	Funding Application Submitted To Potential Donors	New Kpi		Funding Application Letter	1	1	Accumulative	1	1	G	
TL103	To provide democratic, responsive and accountable government for the local communities	Good Governance	Compile A Feasibility Study Report On Fleet Replacement, Upgrade And Management To Executive Mayoral Committee By March 2019	Feasibility Study Report Compiled By March 2019	New Kpi		EMC Minutes With Feasibility Study Report	1	1	Stand-Alone	1	1	G	

Summary of Results: Technical Services

KPI Not Yet Measured	0
KPI Not Met	4
KPI Almost Met	2
KPI Met	12
KPI Well Met	2
KPI Extremely Well Met	2
Total KPIs	22

Community Services

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL 20	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Quality Of Effluent Comply 65% With General Limits In Terms Of The Water Act (act 36 Of 1998) (7 WWTW)	% Compliance With General Limits (quarterly)	100%	57%	Independent Laboratory Test Results (IRIS System)	90%	65%	Last Value	65%	64.82 %	O	Caledon WWTW with 11.1% and Greyton with 30.6% pull down the average of all 7 WWTW. Excluding Caledon and Botrivier, the average is 73.99%. Both WWTW are under capacitated and cannot deliver effluent within the prescribed limits. Caledon WWTW are currently been upgraded with MIG funding, and the Greyton WWTW will be upgraded during the 2019/2020 financial year. When these upgrading's will be completed, the final effluent of both WWTW's will comply with the minimum standards. (June 2019)
TL 21	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Quality Of Portable Water Comply 90% With SANS 241 (10 WTW)	% Compliance With SANS 241 (quarterly)	100	91%	Independent Laboratory Test Results (IRIS System)	90%	90%	Last Value	90%	97.85 %	G 2	
TL 23	To provide democratic, responsive and accountable government for the local communities	Basic Service Delivery	Spend 100% Of The Project Budget Approved For The Upgrade Of The Grabouw Pineview Sport Grounds By 30 June 2019	% Of Project Budget Spent	New Kpi		Report To Portfolio With Completion Certificate And S71 Report and Report from Financial System	100%	100%	Last Value	100 %	37%	R	Delays experienced as a result of funding not enough as per tender specifications. In order to ensure this funding is still available, Council agrees for the amounts of R400 000.00 and R200 000.00 to be carried over into the new budget (2019/2020) for upgrading of Dennekruin and Pineview Park respectively. Improved planning and funding estimates to be implemented in 2019/2020.

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL 24	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Spend 98% Of The Library Grants By 30 June 2019	% Of The Grant Spend	100	100%	Expenditure Report On Libraries From Budget Office	98%	98%	Last Value	98%	87%	O	Arbitration with contract staff delayed appointments and filling of vacant positions resulting in saving.
TL 25	Improve the social fabric of the TWK community	Local Economic Development	The Implementation Of Initiatives In The Approved Community Development Strategy During The 2018/19 Financial Year And Reported To Portfolio Committee	Number Of Reports to Portfolio Committee	New Kpi		Minutes Of Portfolio With Number Of Initiatives Implemented	4	4	Accumulative	4	4		
TL 26	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Limit Water Losses To Less Than 20% By 30 June 2019	% Of Unaccounted For Water	24	18%	Report from Technical Services to Director Operational/Community services	20%	20%	Reverse Last Value	20%	20.26 %	R	The main reasons for water losses occur due to aging water infrastructure, by-pass of meters (especially in Genadendal), water usage not metered to some informal settlements and vandalism of bulk meters. To correct, capital funds were budget in 2019/2010 for pipe replace, vandalized meters will be replaced and all water distributed to informal settlements will be metered)

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL65	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Revenue Collected From Traffic Related Fines	R-value Of Traffic Fines Collected Less The Amount Of Fines Impaired	New Kpi		Back Office Report for traffic fines (Contravention Management System Report (CMS) and Financial Statements	R 4,000,000	R 6,000,000	Accumulative	R 6,000,000	R 8,240,105	G 2	
TL66	Improve the social fabric of the TWK community	Financial Viability	Submit 3 Funding Application For Any 3 IDP Projects (to Potential External Donors) Related To Sport By The End Of June 2019	Number Of Funding Application Submitted	New Kpi		Confirmation Of Receipt From Potential Donor	3	3	Accumulative	3	4	G 2	
TL70	Improve the social fabric of the TWK community	Basic Service Delivery	Upgrade Of Greyton Tennis Courts	% Project Plan Implemented	New Kpi		Completion Certificate, Quarterly Progress Report	100%	100%	Carry Over	100%	100%	G	
TL72	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Installation Of Utility (SMART Meters)	Number Of Utility SMART Meters Installed	New Kpi		Report From Financial System (Phoenix)	900	900	Accumulative	900	1,803	B	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL86	To provide democratic, responsive and accountable government for the local communities	Good Governance	Develop An Integrated Security Plan For The Safeguarding Of Municipal Assets And Submit To Council	Plan Submitted To Council	New Kpi		Council Minutes With Plan	1	1	Carry Over	1	1	G	
TL96	To provide democratic, responsive and accountable government for the local communities	Good Governance	Spent 95% Of Approved Capital Budget	95% Of Approved Capital Budget Spent	New Kpi		S71 Report	95%	95%	Last Value	95%	66%	R	Underspending due to SCM compliance issues. One tender where no functional service provider tendered and another where cost estimate was not enough for tender specification. To correct, some of the capital funds were rolled over to the 2019/2020 financial year for projects to be completed. Proper planning with the compilation of procurement plan to make provision for SCM stumbling blocks.
TL102	Improved Environment Management	Good Governance	Submit Application To Contest In The Greenest Town Competition	Application Letter Submitted	New Kpi		Application Letter	1	1	Accumulative	1	1	G	
TL107	Increased community safety through traffic policing, bylaw enforcement and disaster management	Good Governance	Report To Council On The Successful Implementation Community Safety Turnaround Plan	100% Implementation Of The Community Safety Action Plan	New Kpi		Report Submitted To Council And The Action Plan	100%	100%	Carry Over	100%	100%	G	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL108	Increased community safety through traffic policing, bylaw enforcement and disaster management	Basic Service Delivery	Obtain Council Approval to secure land for building new traffic station	Council Approval obtained		20%	Council Minutes	1	1	Carry Over	1	1	G	
TL109	Increased community safety through traffic policing, bylaw enforcement and disaster management	Local Economic Development	Appointment of Project Manager for Grabouw Hop on and Drop off.	Signed Employment Contract	New		Signed employment contract	1	0	Carry Over	1	1	G	

Summary of Results: Community Services

	KPI Not Yet Measured	0
	KPI Not Met	3
	KPI Almost Met	2
	KPI Met	7
	KPI Well Met	3
	KPI Extremely Well Met	1
Total KPIs		16

Financial Services

Re f	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL 7	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Compile An Audit Action Plan To Address AG Audit Findings In The Management Report And Submit To Management By 31 January 2019 For Approval	Plan Completed And Submitted To Management	1	1	Minutes Of Management Meeting During Which Plan Was Approved	1	1	Carry Over	1	1	G	
TL 8	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Achieve A Debt Collection Payment Percentage Of 88% By The End Of June 2019	% Debt Collection Payment	88	83%	Section 71 Report/financial Statements	88%	88%	Last Value	88%	85%	O	Efficient management of debtor's credit control and debt collection. The debt collection module has been purchase and will be fully utilised in 2019/20 to improve deb collection
TL 9	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Financial Viability Measured In Terms Of The Outstanding Service Debtors (total Outstanding Service Debtors/ Revenue Received For Services) (30% By End Of June 2022)	Ratio Achieved	54	57%	Section 71 Report	60%	60%	Carry Over	60%	59.39 %	O	Efficient management of debtors credit control and debt collection
TL 10	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Financial Viability Measured In Terms Of The Available Cash To Cover Fixed Operating Expenditure (available Cash+ Investments)/ Monthly Fixed Operating Expenditure)	Ratio Achieved	1	2.8	Section 71 Report	1.20%	1.20%	Carry Over	1.20%	3.90%	B	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measure ment	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL11	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Financial Viability Measured In Terms Of The Municipality's Ability To Meet It's Service Debt Obligations (total Operating Revenue-operating Grants Received)/(debt Service Payments Due Within The Year)the Eventual Target For This Ratio Is 12	Number Of Times Debt Service Payments Are Covered By Operating Revenue	11	19%	Section 71 Report	11	11	Last Value	11	19.4	B	
TL12	Work towards a sustainable future through sound financial management and continuous revenue growth	Financial Viability	Financial Statements Submitted To The Auditor-General By 31 August 2018	AFS Submitted To The AG	1	1	Acknowledgement Of Receipt By AG	1	1	Carry Over	1	1	G	
TL13	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Provide 6kl Free Basic Water Per Month To All Indigent HH During The 2018/19 Financial Year	No Of Indigent HH Receiving Free Basic Water	5000	4336	Report From The Financial System With Registered Indigent Households	4,800	4,800	Carry Over	4,800	5,463	G2	
TL14	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Provide 70kwh Of Free Basic Electricity Per Month To All Indigent HH During The 2018/19 Financial Year	No Of Indigent HH Receiving Free Basic Electricity	1700	2110	Report From The Financial System With Registered Indigent Households	1,700	1,700	Carry Over	1,700	5,519		

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL15	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Provide Free Basic Refuse Removal To Indigent HH In Terms Of The Equitable Share Requirements During The 2018/19 Financial Year	No Of Indigent HH Receiving Free Basic Refuse Removal	4300	4162	Report From The Financial System With Registered Indigent Households	4,100	4,100	Carry Over	4,100	5,437	G 2	
TL16	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Provide Free Basic Sanitation To Indigent HH In Terms Of The Equitable Share Requirements During The 2018/19 financial Year	No Of Indigent HH Receiving Free Basic Sanitation	4200	4096	Report From The Financial System With Registered Indigent Households	4,000	4,000	Carry Over	4,000	5,449	G 2	
TL17	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Number Of Formal Residential Properties That Receive Piped Water (credit And Prepaid Water) That Is Connected To The Municipal Water Infrastructure Network And Billed For The Services During 2018/19 Financial Year	Number Of Residential Properties Which Are Billed For Water Or Have Prepaid Meters	14834	15951	Report From The Financial System Indicating Billed Debtors	14,834	14,834	Carry Over	14,834	15,991	G 2	
TL18	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Number Of Residential Property Connected To The Municipal Electrical Infrastructure Network (credit And Prepaid Electrical Metering) (excluding Eskom Areas) And Billed For The Services During The 2018/19 Financial Year	Number Of Residential Properties Which Are Billed For Electricity Or Have Prepaid Meters (excluding Eskom Areas)	6515	7243	Report From The Financial System Indicating Billed Debtors	6,515	6,515	Carry Over	6,515	7,348	G 2	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL19	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Number Of Formal Residential Properties For Which Refuse Is Removed Once Per Week And Billed For The Services During The 2018/19 Financial Year	Number Of Residential Properties Which Are Billed For Refuse Removal Once A Month	15118	15589	Report From The Financial System Indicating Billed Debtors	15,118	15,118	Carry Over	15,118	15,707	G2	
TL57	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	Basic Service Delivery	Purchase SMART (Utility) Water Meters	% Of Allocated Budget Spent On Purchase Of SMART (Utility) Water Meters	New Kpi		Invoices	100%	90%	Carry Over	90%	93%	G2	
TL64	Work towards a sustainable future through sound financial management and continuous revenue growth	Good Governance	Successfully Awarded Tenders In Line With Supply Chain Management Policies And Regulations	Number Of Successful SCM Related Appeals	New Kpi		Register Of Appeals Referred And Written Response On Outcome Of Appeals	1	1	Reverse Last Value	1	0	B	
TL74	To maintain and improve basic service delivery and social amenities for the TWK community	Basic Service Delivery	Number Of Formal Residential Property Connected To The Municipal Waste Water Sanitation/sewer Network For Sewerage Services (inclusive Of Septic Tanks) Irrespective Of The Number Of Water Closets (toilets) And Billed For The Services During The 2018/19 Financial Year	Number Of Formal Residential Property Which Are Billed For Sewerage	13377	14717	Municipal Accounts Report Of Registered Debtors On The Financial System On 30 June 2019	14,000	14,000	Carry Over	14,000	15,026	G2	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL87	To provide democratic, responsive and accountable government for the local communities	Good Governance	Achieve Clean Audit In 2017/18	Clean Audit For 2017/18 Achieved	New Kpi		Signed Audit Report	1	1	Last Value	1	0	R	Will follow AG recommendations and discuss at various AG meetings and will consider same in the Audit Action Plan
TL89	To provide democratic, responsive and accountable government for the local communities	Good Governance	Submit Final Procurement Plan To Council By End Of June 2019	Procurement Plan Submitted To Council	New Kpi		Confirmation Email From SCM	1	1	Last Value	1	1	G	
TL90	To provide democratic, responsive and accountable government for the local communities	Good Governance	Adjustment Budget Submitted To Council By End Of February 2019	Adjustment Budget Submitted To Council	New Kpi		Council Minutes With Adjustment Budget	1	1	Last Value	1	1	G	
TL91	To provide democratic, responsive and accountable government for the local communities	Good Governance	Successful Implementation Of mSCOA (80% Compliance)	Successful Uploading Of Data Strings (budget And In Year Monitoring) Onto National Treasury's Data Base	New Kpi		Status Report From National Treasury Relating To Submission Of Data Strings	80%	80%	Last Value	80%	100%	G2	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL98	To provide democratic, responsive and accountable government for the local communities	Good Governance	Spent 95% Of Approved Capital Budget (excluding SMART Meters)	95% Of Approved Capital Budget Spent	New Kpi		S71 Report	95%	95%	Last Value	95%	93%	○	93% spent. The 7% (under spending) difference equates to R1500 of the total budget not spent. It is always difficult to budget with 100% accuracy, however the department will strive to ensure that budget figures closely reflects actual needs.

Summary of Results: Financial Services

KPI Not Yet Measured	0
KPI Not Met	1
KPI Almost Met	3
KPI Met	4
KPI Well Met	9
KPI Extremely Well Met	4
Total KPIs	21

Corporate and Development

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL 28	Refine and improve the institutional capacity of the municipality	Institutional Development	Spend R Value Of The Approved Budget For The Replacement Of Redundant Computers By 30 June 2019	Rand Value Of Approved Budget Spent	R 350 000	R183 418.73	Signed Off Invoices And Asset Register	R 155,000	R 155,000	Carry Over	R 155,000	R 245,245	B	
TL 29	To provide democratic, responsive and accountable government for the local communities	Good Governance	Complete The Annual Risk Assessment By 30 June 2019	Assessment Completed	1	1	Minutes Of Risk Management Committee With Assessment	1	1	Accumulative	1	1	G	
TL 30	To ensure a healthy and productive workforce by creating a conducive working environment	Good Governance	Train 60% Of The Personnel Identified For Training In Terms Of The Workplace Skills Plan By 30 June 2019	% Of Identified Personnel Trained	60	60%	Training Stats Kept And Submitted To The SETA, Workplace Skills Plan	60%	60%	Last Value	60%	124%	B	
TL 31	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Spend 95% Of The Budget Allocated For Training Of Personnel By 30 June 2019	% Of The Budget Spent	95	58%	Budget Expenditure Report	95%	95%	Last Value	95%	80.04%	O	The Supply Chain processes created a delay in the procurement process of Accredited Service Providers. The issue has since been resolved which should address the percentage of spending.

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL 32	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Report On The Number Of People From Employment Equity Target Groups Employed In The Three Highest Levels Of Management In Compliance With The Municipality's Approved Employment Equity Plan	Number Of Reports	1	1	EE Numerical Targets Report To DOL	1	1	Accumulative	1	1	G	
TL 33	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Percentage Of People From Employment Equity Target Groups Employed In The Three Highest Levels Of Management In Compliance With The Municipality's Approved Employment Equity Plan As At 30 June 2019	% People From EE Target Groups Employed	100%	50%	EE Numerical Targets Report To DOL	100%	100%	Last Value	100%	9%	R	<p>The Shortlisting Committee are provided with a copy of the EE Targets to ensure that they shortlist candidates from the designated groups.</p> <p>The advertisement will also be more specific with regards to the EE target. (June 2019)</p>
TL 34	To provide democratic, responsive and accountable government for the local communities	Good Governance	Ward Councillor Feedback To Communities	Number Of Feedback Sessions	1	1	Attendance Registers	56	42	Accumulative	42	35	O	All the cancelled meetings will proceed between 15 July and 8 August 2019. An email was forwarded to Town Managers in this regard.

Re f	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Targ et	Actu al	R	Departme ntal Corrective Measures
TL 35	To provide democratic, responsive and accountable government for the local communities	Good Governance	Review And Update Delegations Annually And Submit To Council For Approval By 30 June 2019	Delegations Reviewed And Updated And Submitted For Approval	1	0	Minutes Of Council Meeting With Updated Delegations	1	1	Carry Over	1	1	G	
TL 36	To provide democratic, responsive and accountable government for the local communities	Good Governance	Review And Update Council's Role And Responsibilities Annually And Submit To Council For Approval By 30 June 2019	Council's Roles And Responsibilities Reviewed And Submitted For Approval	1	1	Minutes Of Council Meeting	1	1	Carry Over	1	1	G	
TL 37	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area	Local Economic Development	Successful Implementation Of IFSOP	Number Of Investors Assisted	New Kpi	0	Minutes Of Developer Support Task Team To Council	3	0	Carry Over	0	0	N/A	KPI removed

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL38	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area	Local Economic Development	Compile A Development Strategy to allow for a ring-fenced account for municipal development fund And Submit To Council For Approval By 30 June 2019	Strategy Compiled And Submitted To Council For Approval	New Kpi		Minutes Of Council Meeting With Approved Strategy	1	1	Carry Over	1	0	R	In order to derive at a development strategy to ring fence municipal fund for development, it is advised the above factors i.e. development charges or the lack thereof, investment donations, investment incentives and investment SCM Chapter are considered and incorporated as part of the strategy which will enable the Municipality to position itself in terms of investment promotion and facilitation. An item was tabled to Management and Council resolving that the IFSOP be revived in order to develop a practical development strategy.
TL39	Improve the social fabric of the TWK community	Local Economic Development	Create Work Opportunities Through LED Initiatives (EPWP) During The 2018/19 Financial Year	Number Of Work Opportunities	428	664	Participants List	468	468	Accumulative	468	684	G2	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL40	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Spend 100% Of The Budget Allocated By The Provincial Department Of Housing For The Implementation Of The Housing Pipeline By 30 June 2019 (capital)	% Of Budget Allocation Spent	100%	39%	Section 71 Report and Capital Report From Financial Services	100%	100%	Carry Over	100%	61%	R	The contractor is on site in Riviersonderend and is to submit a claim for materials on site which will improve the spending. The tenders for Siyayanzela, Botrivier Community Hall and Beverly Hills is in the process of being evaluated for submission to the BEC and then for appointment to the BAC. Once these appointments are finalised contractors will be on site and expenditure will improve. Implement and strictly adhere to procurement plan to prevent delays in SCM processes and enable remedial factors

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL41	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Implementation Of Housing Pipeline (operational)	%of Budget(Operational) Spent In Line With Provincial Allocation	100	55%	Section 71 Report and Capital Report From Financial Services	100%	100%	Carry Over	100%	57%	R	Riversondenend Joe slovo- 25 Houses at roof height and 3 units handed over to beneficiaries Caledon Side Saviwa - 12 units handed over in June Grabouw Rooidakke - 16 units handed over in June 2019. Once the contractors on the various projects submit invoices for the works completed expenditure will improve.

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL42	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Transfer Of Subsidised Houses	Number Of Subsidized Houses Transferred	200		Attorneys Confirmation Of Number Of Titles Successfully Transferred	500	500	Accumulative	500	348	R	Although we have transferred 504 houses according to our records, the transferring attorneys could only give evidence for 348. In future we will put in place a system for better recording of transfer of houses
TL43	To provide democratic, responsive and accountable government for the local communities	Good Governance	Review Of Spatial Development Framework	Spatial Development Framework Submitted To Council	50%	0%	Council Minutes With SDF	1	1	Carry Over	1	0	R	The project is currently proceeding in accordance with the revised project timeframe. No additional corrective measures are currently required.
TL44	Promote the second and township economy (SMME Development)	Local Economic Development	Support of Tourism Transformation Projects	Number of LTO's supported	New Kpi		Signed SLA's with successful LTO's (local tourism offices) and proof of assistance as contained in SLA	3	3	Accumulative	3	0	R	<p>That due to non-compliance of the LTO's and the projects identified, it was resolved that non-financial support to emerging and established tourism enterprises in the be provided i.e. accredited customer care training which is scheduled for August 2019, as a collaborative effort between the Municipality and the Provincial Department of Economic Development and Tourism in support of smme's in the tourism industry.</p> <p>4.2. Access to marketing through the municipal tourism website is also offered as a non-financial support to these enterprises. Support to smme's to compile business plans, registration of their businesses etc., will be provided through the Small Enterprise Development Agency [SEDA] as part of the collaborative agreement between the Municipality and SEDA.</p>

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL46	Promote the second and township economy (SMME Development)	Local Economic Development	Presentation To Council On The Feasibility Study Of Venster Property Erf 136 Caledon	Presentation done To Council	New Kpi		Council Minutes With Outcomes	1	1	Carry Over	1	1	G	
TL75	To provide democratic, responsive and accountable government for the local communities	Good Governance	Development Of Public Participation Plan And Submitt To Council By August 2018.	Plan Submitted To Council	1	1	Minutes Of Council Meeting	1	1	Last Value	1	1	G	
TL76	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Replace Of Redundand Photocopy Machines	Number Of Machines Replaced	New Kpi		Signed Invoices	6	6	Accumulative	6	6	G	
TL77	Improve the social fabric of the TWK community	Local Economic Development	Approval Of Zoning By-law	Approved By-law	1		Council Minutes With Approved Bylaw	1	1	Carry Over	1	1	G	
TL79	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	Basic Service Delivery	Conduct Annual Roadshow To Update Housing Waiting List	Roadshow Conducted	New Kpi		Newspaper Advert And Attendance Register	1	1	Carry Over	1	1	G	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL80	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	Basic Service Delivery	Review The 3 Year Housing Pipeline And Submit Report To Council	Report Submitted To Council On The Review Of Housing Pipeline	New Kpi		Council Minutes With Reviewed Housing Pipeline	1	1	Carry Over	1	0	R	The housing pipeline will be work shopped with TWK management on 10 July 2019, hereafter it will be presented for council endorsement.
TL81	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Local Economic Development	Submit Disposal Of Land For GAP Housing Plan To Council	Plan Submitted To Council	New Kpi		Council Minutes With Land Disposal For GAP Housing Plan	1	1	Carry Over	1	1	G	
TL83	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Local Economic Development	Review Land Disposal Strategy And Submit To Council	Strategy Submitted To Council	New Kpi		Council Minutes With Strategy	1	1	Carry Over	1	1	G	

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL92	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Limit Vacancy Rate To 15% Budgeted Post By June 2019	% Vacancy Rate	New Kpi		Reconciliation Between Budget And Salary Budget And Report From Payday	15%	15%	Reverse Last Value	15%	7.50%	B	
TL93	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Submit 100% Of Post Received/Identified For Evaluation to TASK By June 2019	Number Of Post Evaluated	New Kpi		Report From SALGA Audit Committee And Signed Job Evaluations	100%	100%	Last Value	100%	100%	G	
TL94	To ensure a healthy and productive workforce by creating a conducive working environment	Institutional Development	Review Organisational Structure Annually By End Of June 2019 And Report To Council	Organisational Structure Reviewed	New Kpi		Council Minutes With Report On The Review Of The Organisational Structure	1	1	Last Value	1	1	G	
TL97	To provide democratic, responsive and accountable government for the local communities	Good Governance	Spent 95% Of Approved Capital Budget (excluding Housing)	95% Of Approved Capital Budget Spent	New Kpi		S71 Report	95%	95%	Last Value	95%	91%	O	More realistic cost calculation during budget process. The currency volatility in IT equipment however makes it extremely difficult to budget accurately

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL104	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Provision Of Serviced Sites As Per Approved Business Plan	Number Of Sites Handed Over To Beneficiaries	New Kpi		Beneficiary List And Happy Letters	489	230	Accumulative	230	0	R	Improve planning of delivery in respect of sites, by clarifying what is considered a complete site.
TL105	Ensure provision of sustainable and integrated Human Settlements through accelerating affordable Housing Projects	Basic Service Delivery	Provision Of Top Structures As Per Approved Business Plan	Number Of Top Structures Handed Over To Beneficiaries	New Kpi		Approved Beneficiary List And Happy Letters	240	209	Accumulative	209	151	R	Caledon 32 project completed. 10 More units ready for handover but will only materialise in July. Contractors of Hillside and Rooidakke will only have units available for handover in July 2019

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	Previous Year Actual Performance	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2019			
											Target	Actual	R	Departmental Corrective Measures
TL106	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	Basic Service Delivery	Provision Of Interim Services To Informal Settlements	Number Of Informal Settlements Provided With Interim Services (Toilets And Taps)	New Kpi		Final Completion Certificate	3	3	Accumulative	3	2	R	The DoHS was approached for the shortfall and only committed to this on 04 June 2019 - the tender will now be adjudicated and then awarded. In Future to ensure that planning are in line with available funding.

Summary of Results: Corporate and Development Services

KPI Not Yet Measured	1
KPI Not Met	11
KPI Almost Met	3
KPI Met	13
KPI Well Met	1
KPI Extremely Well Met	3
Total KPIs	32

The municipality hereby disclose that the annual performance report provides a complete and accurate overview of the municipality's performance against targets set for the 2018/19 financial year.

.....

.....

Davy Louw (Acting Municipal Manager)

Date

DRAFT

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

Some of the challenges experienced are:

- Provision of basic services on a sustainable basis.
- Stimulating local economic development.
- Sound management of its financial affairs.
- Strengthening continued community participation in the affairs of Local Government.
- Provision of subsidised / low cost housing.
- Development of a social strategy.
- Growing population, unemployment and poverty.
- Continued reformation in local government.
- Backlog in infrastructure

3.1 WATER PROVISION

3.1.2 INTRODUCTION TO WATER PROVISION

Theewaterskloof Municipality is the Water Service Authority for its service area. Theewaterskloof Municipality is located within the newly established Breede-Gouritz Water Management Area (WMA). The Municipality further falls within the Overberg Region of the Western Cape Province, in which the following Local Municipalities are also located:

- Overstrand Municipality;
- Cape Agulhas Municipality; and
- Swellendam Municipality.

Service Level Agreements are in place with Overberg Water Board, the Groenland WUA and the Elandskloof Irrigation Board for the provision of bulk raw water to some of the towns.

All residents in urban areas in the service area of the municipality have access to water services and free basic water is provided to all. It is however estimated that there might still be households on the farms in the rural areas with existing service levels below RDP standards. This estimate the service levels on the farms can only be verified through a detailed survey.

Drought Alleviation

As part of the drought alleviation initiative, the municipality successfully designed, installed and commissioned four water treatment package plants in Berea-ville, Voorstekaal and two in Caledon to improve purification processes as well as efficiently purifying newly drilled boreholes, high in iron.



Hot Water Purifying Package Plant – Caledon



Package Plant at 4MI Reservoir – Caledon



New Borehole – Caledon



Voorstekraal Borehole



Voorstekraal Package Plant

The Technical Department is now in the process of obtaining Water Use Licences for all raw water sources.

The following plans were developed to assist the Municipality in reducing water losses and implementing water saving initiatives:

- Drought Management Plan
- Water Loss Reduction Plan
- Drought Mitigation Plan
- Water Demand and Conservation Strategy
- Water Meter Replacement Programme

The table below indicates the different water services delivery levels per household in all formal areas for the financial years 2015/16 to 2018/19.

Water Service Delivery Levels				
				Households
Description	Year -2015/16	Year 2016/17	Year 2017/18	Year 2018/19
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	17 815	29 745	29 745	29 745
Piped water inside yard (but not in dwelling)	–	–	–	–
Using public tap (within 200m from dwelling)	6514	1840	1840	1840
Other water supply (within 200m)	0	0	0	0
Minimum Service Level and Above sub-total	24 329	31 585	31 585	31 585
Minimum Service Level and Above Percentage	100%	87%	87%	87%
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	0	4 907	4 907	4 907
No water supply	61	0	0	0
Below Minimum Service Level sub-total	61	4 907	4 907	4 907
Below Minimum Service Level Percentage	0%	13%	13%	13%
Total number of households*⁶	24 390	36 492	36 492	36 492
* - To include informal settlements				T3.1.3

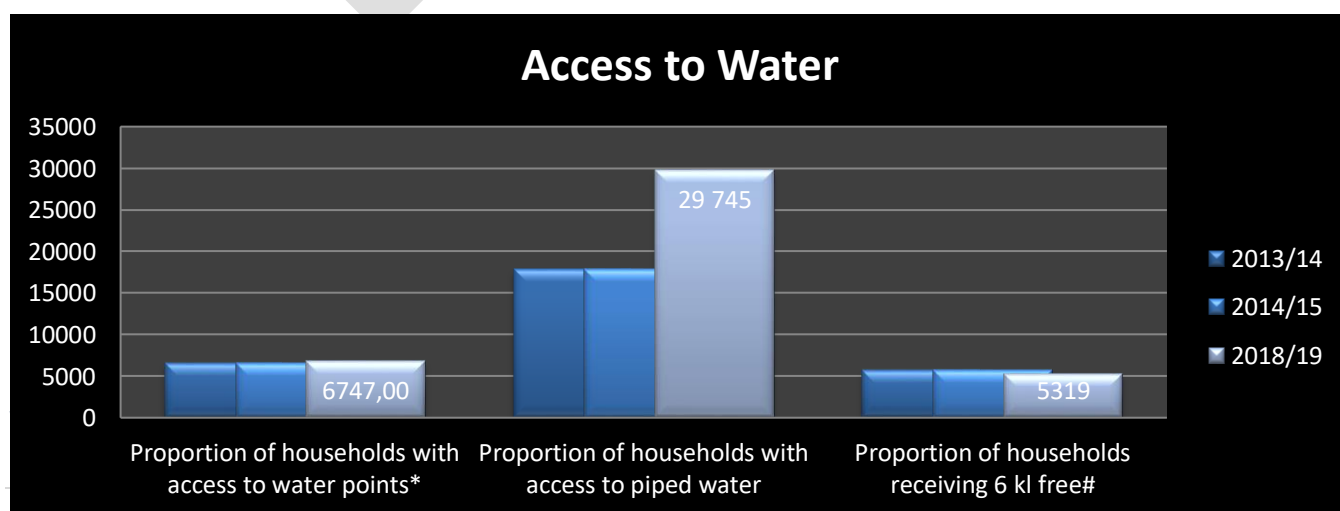
⁶ Source: WSDP (Water Service Development Plans)

3.1.3 HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW MINIMUM

Households - Water Service Delivery Levels below the minimum						
Households						
Description	2015/16	2016/17	2017/18	2018/19		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	29 745	29 745	29 745	29 745	29 745	29 745
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	4740.00	6747.00	6747.00	6747.00	6747.00	6747.00
Households ts below minimum service level	0.00	5393.50	4907.00	4907.00	4907.00	4907.00
Proportion of informal households ts below minimum service level	0%	80%	73%	73%	73%	73%
						T3.1.4

3.1.4 ACCESS TO WATER

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2013/14	6 514	17815	5 642
2014/15	6 514	17815	5 719
2015/16	4 634	21 000	3 972
2016/17	6 212	25 061	4 399
2017/18	6 212	15 950	4 335
2018/19	6 747	29 745	5 319
			T3.1.1.3



Employees: Water and Sewerage Networks					
Job Level	Year 2017/2018	Year 2018/2019			
	Employees	Posts Budgeted	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	15	26	26	0	0%
4 - 6	17	8	8	0	0%
7 - 9	11	7	6	1	14%
10 - 12	2	1	1	0	0%
13 - 15	2	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	47	43	42	1	2%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p>T3.1.7</p>					

3.1.6 FINANCIAL PERFORMANCE: WATER SERVICES

Financial Performance: Water Distribution					
R'000					
Details	Year 2017/18	Year 2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(71,994)	(79,970)	(74,976)	(77,670)	4%
Expenditure:					
Employees	10,237	11,053	11,053	9,845	-11%
Repairs and Maintenance	2,836	4,728	4,583	3,874	-15%
Other	36,010	39,215	29,260	40,632	39%
Total Operational Expenditure	49,083	54,996	44,897	54,351	21%
Net Operational Expenditure	(18,600)	(24,974)	(30,079)	(23,319)	-22%
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i></p>					T3.1.8

3.1.7 CAPITAL EXPENDITURE: WATER SERVICES

Capital Expenditure Year: Water Distribution					
Water Distribution					
R' 000					
Capital Projects	2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	6,336	8,803	7,911	-10%	
Capital - Prepaid Water meters	2,500	3,276	3,048	-7%	
Capital - Drilling of Boreholes	–	,248	,240	-3%	
Capital - Drought Relieve	–	,233	,224	-4%	
Capital - Destiny: Bulk water	2,131	2,131	2,101	-1%	
Capital - Destiny: Bulk water	1,706	1,706	1,655	-3%	
Capital - Drought Relieve	–	,373	,383	3%	
Capital - Water Source Development - Tesselaarsdal	–	,267	,261	-3%	
Capital - Refurbishment and upgrading of the existing borehole	–	,569	–	-100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.1.9

3.1.8 COMMENT ON WATER SERVICE PERFORMANCE OVERALL

Access to services

Overall the TWK Municipality is doing well in terms of providing access to basic services for all its residents in urban areas. However, it is the policy of the TWK Municipality to provide waterborne sanitation and on-site (house or yard) water connections to all its consumers through its subsidised housing programme. Although the TWK Municipality is doing well in terms of the provision of housing, it is a lengthy and costly process, which is being hampered by the continual influx of people to urban areas. Backlogs still exist in the rural areas, which must still be addressed.

Quality of services provided

Continuity of water supply

The continuity of water supply is considered to be good, except for certain of the smaller settlements, which experience water supply problems in the peak summer months due to inadequate water resources. The current yield of the water resources of the most settlements are unknown, which is of serious concern, as it makes it impossible to quantify and manage the risk of water shortages in the event of a drought.

Free basic water and sanitation

All registered indigents have access to free basic water and sanitation, although a large number of residents are still not registered as indigents

Adequacy of infrastructure and equipment

Although the TWK Municipality is doing well in terms of housing delivery to the poor, there is a significant backlog in the condition and capacity of existing infrastructure, especially in terms of bulk water supply and treatment, bulk sewage collection and treatment, as well as the condition of existing AC pipelines in water reticulation networks. The problems with the quality of specifically potable water and wastewater effluent are also to some extent evident of the inadequate condition of infrastructure. The lack of adequate funding in the budget report allocated to eradicate this infrastructure backlog, it is evident that the TWK Municipality is under immense financial pressure.

In order to affectively address the backlog as far as the capacity and condition of infrastructure is concerned, a substantial capital injection, possibly in the form of a once-off grant is required. The grant would be required to address the backlog in infrastructure capacity and rehabilitation and to replace infrastructure timeously before it impacts negatively on service delivery. An asset management plan would inform capital requirements in this regard.

Water can be purchased at all Municipal offices for the towns. Other stores or locations where water can be purchased are:

Town	Owner/Manager	Vendor	Address	Contact Details
CALEDON	IRENE CUPIDO		7 9TH AVENUE, BERGSIG	028 212 3437
CALEDON	SELWYN STEEDSMAN	SMS MOBILE	22 BOSDUIF STREET, UITSIG	028 212 3760
CALEDON	MOHAMME GIAS UDDIN	BEEHIVE/SAVERITE	15 PLEIN STREET	028 212 2291
GENADENDAL	RHODENE BRAAF	RHODES TUCK-SHOP	ERF 91 KOORLANDSKLOOF	074 282 5091
GENADENDAL	JAHED HASSAN	BUY-RITE	MARVELD STREET	061 044 6453
BEREAVILLE	PAM VAN WYK		LONGSTREET	061 212 0154 (Linda - Manager)
GRABOUW	MOSTAFIZUR RAHMAN	GRABOUW SUPERMARK	STEENBRASWEG	021 859 2711
GRABOUW	SHUIPING HUANG	ZH MINIMARK	32 MAIN ROAD	021 859 5112
GREYTON	JAHED HASSAN	SDS SUPERMARK	ASTERAVENUE	061 044 6453
RIVIERSONDEREND	ABRHAM ANGHEBO	ROBOTH SHOP	12 CARNATION STREET	084 758 7235

3.2 WASTE WATER (SANITATION) PROVISION

3.2.1 INTRODUCTION TO SANITATION PROVISION

Sanitation provision comprise of conveyance of waste water from households via piped network (gravity and pumped) and vacuum tanker service to the waste treatment works. Sanitation service is provided throughout the whole service area of Theewaterskloof. Ensuring that sufficient treatment capacity is available for present and future demand is a key focus area for the municipality. Ensuring that sufficient treatment capacity is available for present and future demand is a key focus area for the municipality. The municipality is currently busy upgrading Caledon WWTW and in the planning process for Greyton, Botrivier and RSE WWTW.

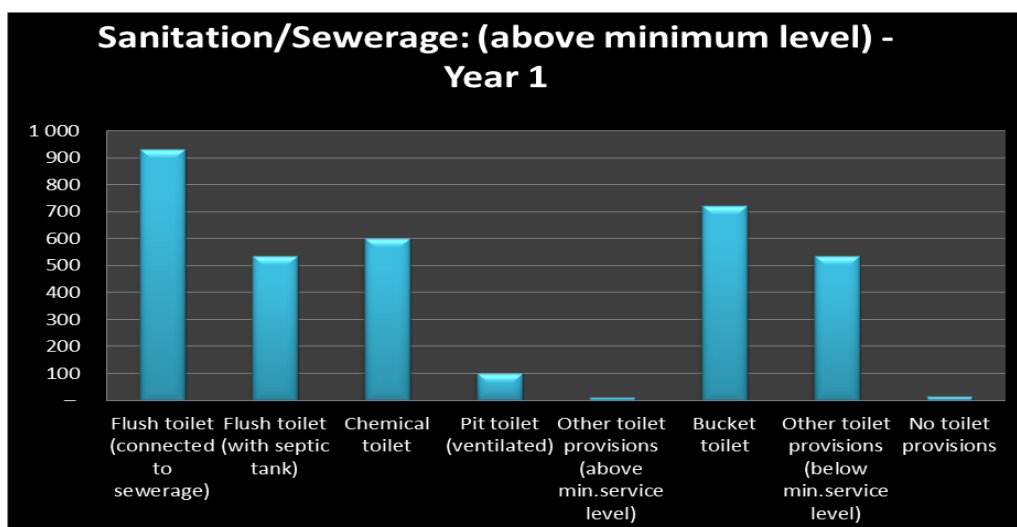
All the formal households in the urban areas are provided with full sanitation provision while informal areas are provided with basic sanitation facilities which comprise of communal ablution facilities.

3.2.2 SANITATION SERVICE DELIVERY LEVELS

Sanitation Service Delivery Levels				
				*Households
Description	Year 2015/16	Year 2016/17	Year 2017/18	Year 2018/19
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	22 820	29 745	29 745	29 745
Flush toilet (with septic tank)	1 304	867	867	867
Chemical toilet				
Pit toilet (ventilated)				
Other toilet provisions (above min.service level)				
Minimum Service Level and Above sub-total	24 124	30 612	30 612	30 612
Minimum Service Level and Above Percentage	87.93%	87.7%	87.7%	87.7%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet				
Other toilet provisions (below min.service level)	4634	4309	4309	4389 ⁷
No toilet provisions	0			
Below Minimum Service Level sub-total	3 310	4 309	4 309	4 389
Below Minimum Service Level Percentage	12.1%	12.3%	12.3%	12.3%
Total households	27 434	34 921	34 921	35 001
*Total number of households including informal settlements⁸				T3.2.3

⁷ Municipalities own calculation according to informal settlement databases (Technical Services)

⁸ The minimum level of service defined for sanitation is expressed as one toilet for every 5 structures. Should an informal settlement not meet this ratio it is deemed that all structures in that settlements falls within the definition of below minimum service

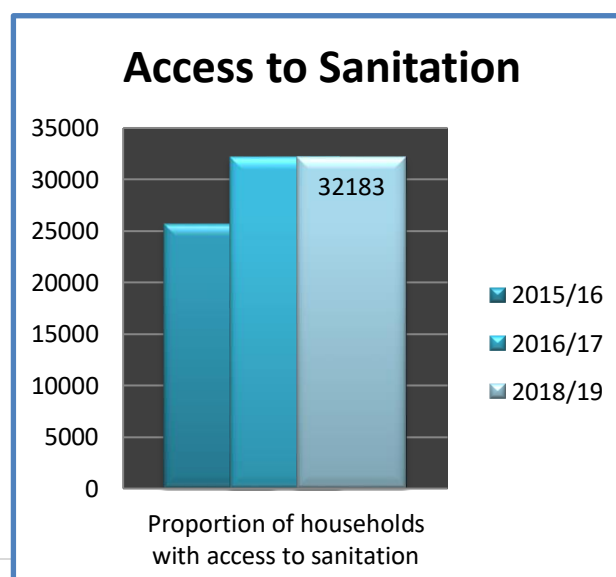


3.2.3 HOUSEHOLD: SANITATION SERVICE DELIVERY LEVELS BELOW MINIMUM

Households - Sanitation Service Delivery Levels below the minimum						
Description	Households					
	2015/16	2016/17	2017/18	2018/19		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements	–	–	–	–	–	–
Total households	21 000	29 745	29 745	29 745	29 745	29 745
Households below minimum service level	3 310	0	0	0	0	0
Proportion of households below minimum service level	12%	0%	0%	0%	0%	0%
Informal Settlements	–	–	–	–	–	–
Total households	4 634	6 747	6 747	6 747	6 747	6 747
Households ts below minimum service level	0	4 309	4 309	4 309	4 309	4 309
Proportion of informal households ts below minimum service level	0%	0%	0%	0%	0%	0%
						T3.2.4

3.2.4 ACCESS TO SANITATION

Access to Sanitation	
	Proportion of households with access to sanitation
2015/16	25634
2016/17	32183
2017/18	32183
2018/19	32183



3.2.5 EMPLOYEES: SANITATION

Employees: Sanitation Services (Water and Sewage Purification Works) incl. Suction Tank Services					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	32	24	23	1	4%
4 - 6	13	16	16	0	0%
7 - 9	9	14	13	1	7%
10 - 12	3	6	5	1	17%
13 - 15					-
16 - 18		1	1	0	0%
19 - 20					-
Total	57	61	58	3	5%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T.3.27					

3.2.6 FINANCIAL PERFORMANCE: SANITATION SERVICES

Financial Performance : Waste Water Management					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(33,576)	(40,341)	(41,349)	(40,552)	-2%
Expenditure:					
Employees	9,692	11,077	11,077	11,922	8%
Repairs and Maintenance	3,637	5,093	5,628	4,056	-28%
Other	17,811	22,979	23,099	19,884	-14%
Total Operational Expenditure	31,140	39,150	39,804	35,863	-10%
Net Operational Expenditure	(2,796)	(1,191)	(1,545)	(4,689)	204%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.2.8

3.2.7 CAPITAL EXPENDITURE: SANITATION SERVICES

Capital Expenditure: Waste Water Management					
R' 000					
Capital Projects	Year 2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	18,686	18,413	18,387	0%	
Capital - Bulk outfall sewer, Caledon	2,891	1,478	1,478	0%	
Capital - Bulk outfall sewer, Caledon	2,632	500	500	0%	
Capital - Destiny: Bulk sewer, Villiersdorp	2,934	2,934	2,934	0%	
Capital - Waste Water Treatment Works Upgrade, Caledon	6,941	8,647	8,647	0%	
Capital - Waste Water Treatment Works Upgrade, Caledon	3,289	4,853	4,828	-1%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.2.9



Myddleton to Caledon: Upgrade Main Link sewer Pipe Line

3.2.8 COMMENT ON SANITATION SERVICE PERFORMANCE OVERALL

The department did extremely well with the spending of its capital budget. All work was done within budget and the small variance indicate that the department accurately estimated the cost.

The operational budget for sanitation services reflects a surplus of R4,689m. The variance between budgeted and actual amounts to 204% or RR3, 144m. This relates largely to under expenditure on repairs and maintenance in excess of R1,5m an annuity loan, where R2.6m was budgeted for but only R1.5m was spent. Depreciation was also large underspent or over budgeted. The net effect of over and under expenditure of depreciation for various assets was underspending of R6, 4m.

Caledon waste water treatment plant Upgrade phase 2 is currently underway and almost completed, phase 3 tender is advertised. This is a multi-year project and will only be completed in 2021/22 financial year. The upgrading to the main outfall sewer in Caledon phase 2 is completed and phase 3 has commenced, these are also priority to prevent any blockages of the development of the towns due to capacity constraints.

These projects are multiyear projects and are budgeted for.

3.3 ELECTRICITY

Electricity (Distribution)

Activity

The quality of Electricity supply impacts the economic growth of the municipality. Moreover, the constant supply of electricity is a necessary tool to improve the socio economic conditions of Households and communities.

Theewaterskloof Municipality is responsible for the distribution and reticulation of electrical energy to all its consumers in a cost effective and safe manner. This service extends to include Caledon, Villiersdorp, Greyton and Riviersonderend, but do not take into account Grabouw, Genadendal, Botriver and Tesselaarsdal, which resides within the jurisdiction of Eskom government.

The municipality has a mandate to distribute electricity subject to license conditions set by NERSA.

Strategic Objectives

- To evaluate all restraints placed on the department and develop strategies to ensure that the minimum service delivery standards of the Electrical Service Department are maintained.
- To ensure a safe, effective, economical and continued supply of electricity within the TWK Municipal supply area.

Electricity (Street Lighting)

Activity

The Management of all installations and maintenance of street lights for the municipal area except for Grabouw and Botrivier, forms part of Directorate Operational Services Key Performance areas. Grabouw and Botrivier is serviced through Eskom.

Electricity can be purchased at all Municipal offices for the towns where the municipality is responsible for the provision of electricity. Other stores or locations where electricity can be purchased are:

<u>Vendor Name</u>	<u>Address</u>	<u>Suburb</u>
Al-Baraka Shop	1214 Goniwe Park	Villiersdorp
Alex Robot Shop	Oosterolad	Riviersonderend
Amano Shop	34 3rd Avenue	Caledon
Annes House Shop	275 Amarilla Street	Villiersdorp
Backstage Shop	Bosduif Street	Caledon
Beehive Supermarket	15 Plein Street	Caledon
Big Time Tuckshop	38 5de Laan	Caledon
Bismillah Superette	8 Plein Street	Caledon
Bot River Mini Mark	14 Hawthorn Street	Bot River
Caledon Mini Market	11 Plein Street	Caledon
Carica Cash n Carry	15 Hoofweg Street	Riviersonderend
Carica Superette	06 Alpha Street	Riviersonderend
Continental Café	22 Main Road	Riviersonderend
Continental Superette	11 Main Road (N2)	Riviersonderend
Corner Mini Shop	10 Reierlaan	Caledon
Danny's Bazaars	George Grey Straat	Genadendal
Discount Mini Market	1 Price Street	Riviersonderend
Discount Store Caledon	44 Ster Street Bergsig	Caledon
Esethu Spaza Shop	2 De Laan , No 26 Goniwe Park	Villiersdorp
Fathi General Dealer	24 Rooivaal Street	Caledon
Gerald Tuck Shop	66 Fullard Street	Riviersonderend
Hiron Spaza Shop Caledon	4 Kwartel Street, Uitsig	Caledon
Hirshabelle Shop	78 Protea Heights	Villiersdorp
Hoosain Tuckshop	41 Hoof Street	Caledon
Juba tuckshop PC	27 Sabbatini Avenue , Golf City	Riviersonderend
M. K Wholesaler	21 Plein Street	Caledon
Mama Africa	G76 Revesemke Informal	Caledon
Mega sweets cash&carry	No 2 Haw Street	Caledon
N.E Stores 2	179 Disa Street	Villiersdorp
Nasir Shop	135 Disa Street	Villiersdorp
Nasir Shop No2	145 Disa Road	Villiersdorp
Olympia Supermarket & Take Away	49 Main Road	Grabouw
On The Mark Trade & Investments	43 Oak Street	Greyton
One Price Store TWK	14 Main Road	Villiersdorp

Ons Winkel	205 Disa Straat	Villiersdorp
Rainbow Shop	29 Heideweg	Riviersonderend
Scuba Scuba Spaza Shop	No 1 Mcnolia Street , Goniwe Park	Villiersdorp
SH Superette & Halaal Take Aways	20 Main Street	Caledon
Shoprite Grabouw	Cnr of Caledon and Ryke Street	Grabouw
Small Town Shop	110 Disa Laan	Riviersonderend
SonaStraat No.5	Dahlia Cres & Begonia street	Riviersonderend
Sonstraal Cafe PC	19 Main Road	Riviersonderend
Sonstraal No.1 Tuck Shop PC	Matuwane Street	Riviersonderend
Tawakal Tuckshop PC	7 Player Street	Riviersonderend
Tohow Spaza Shop	Annes Shop 4	Caledon
Tuck Shop No 1	195 Jo Slovo Square	Riviersonderend
Uitsig Supermarket	23 Sayes Street	Caledon
Usave Caledon	25 Prince Alfred Street	Caledon
Valostar Supermarket	19 Voortrekker Road , On the Main Road	Riviersonderend
Village Vinos	32 Main Street	Greyton
Vleiview Café	22 2de Laan, Vlei View	Caledon
Yellow Spaza Shop	340 Erf Goniwe Park	Villiersdorp
Yona Yethu Behchew Shop	296 Shack , Goniwe Park	Villiersdorp
Yone Yethu Spaza Shop	289 Main Street , Goniwe Park	Villiersdorp
Zippy's Supermarket	44 Hoof Street	Greyton

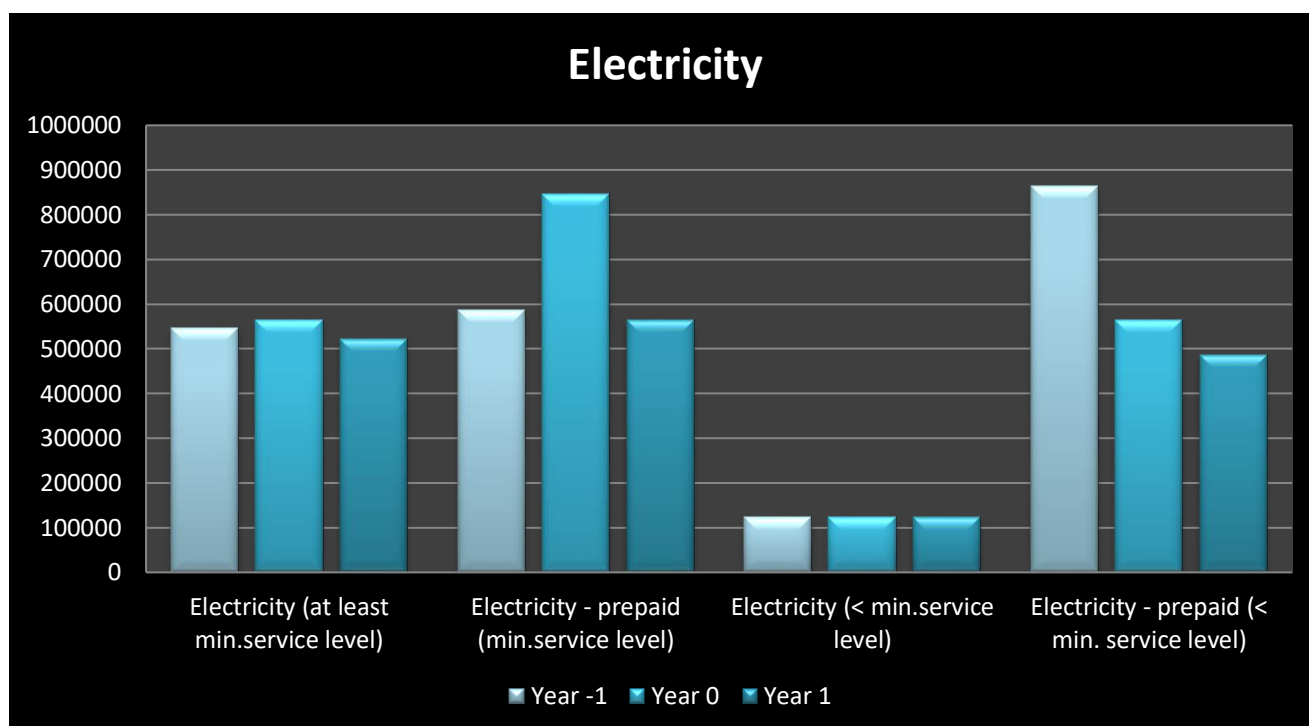
The Electrical Department is committed to supply existing and new customers with electrical energy of acceptable quality in a safe and sustainable way. The aim of the department is to deliver services that are above the industry standards.

Projects completed in 2018/19:

1. The medium voltage network in Villiersdorp was analysed to determine the upgrades necessary to accommodate the housing project on Destiny Farm.
2. The tender for phase 1 to upgrade the infrastructure to accommodate the additional load on the network in Villiersdorp was adjudicated.
3. The overhead network in Mainstreet Riviersonderend was upgraded and replaced with a new underground distribution system.
4. The miniature substation in Kerkstreet Villiersdorp was replaced and the Low Voltage network upgraded.
5. Maintenance remains a priority and the security fencing and roof of the main substation building in Caledon were replaced.
6. The maintenance of streetlights in towns where Eskom distributes electricity remain a challenge.

Projects for 2019/20

1. Completion of 11 kV ring feed to Van Schalkwyk street Greyton and upgrade of Low Voltage network in De La Vigne Street.
2. Completion of phase 1 to upgrade the infrastructure to accommodate the additional load on the network in Villiersdorp.
3. Replace and upgrade Transformer in Uitsig Caledon.



3.3.1 ELECTRICITY SERVICE DELIVERY LEVELS

Electricity Service Delivery Levels				
Description	Households			
	Year 2015/16	Year 2016/17	Year 2017/18	Year 2018/19
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: (above minimum level)				
Electricity (at least min.service level)	2159	1174	32	25
Electricity - prepaid (min.service level)	3101	4864	7700	7,721
Minimum Service Level and Above sub-total	5260	6038	7732	7,746
Minimum Service Level and Above Percentage	1	1	1	100.0%
Energy: (below minimum level)				
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)				
Other energy sources				
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level Percentage	0	0	0	0.0%
Total number of households	5260	6038	7732	7,746
				T3.3.3

3.3.2 EMPLOYEES ELECTRICITY SERVICES

Employees: Electricity Services					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	7	8	8	0	0%
4 - 6	2	1	1	0	0%
7 - 9	3	5	5	0	0%
10 - 12	5	5	5	0	0%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	-
Total	19	21	21	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					
T3.3.6					

3.3.3 FINANCIAL PERFORMANCE: ELECTRICITY SERVICES

Financial Performance : Electricity Distribution					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(89,308)	(92,543)	(93,963)	(91,224)	-3%
Expenditure:					
Employees	6,296	6,727	6,727	6,760	0%
Repairs and Maintenance	1,931	4,364	3,720	2,150	-42%
Other	62,500	66,518	66,542	68,189	2%
Total Operational Expenditure	70,727	77,609	76,989	77,099	0%
Net Operational Expenditure	(18,581)	(14,934)	(16,973)	(14,126)	-17%
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i></p>					
T3.3.7					

3.3.4 CAPITAL EXPENDITURE: ELECTRICITY SERVICES

Capital Expenditure Year 2018/19: Electricity Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3,515	5,073	4,668	-8%	
Install security fencing Switching stations Caledon	165	165	146	-12%	
Upgrading 11kV network replace miniature substation, Caledon	–	570	465	-18%	
Replace and upgrade MV Networks, Villiersdorp	550	550	508	-8%	
Upgrading of Bulk Electrical Infrastructure, Villiersdorp	435	435	435	0%	
Upgrading of Bulk Electrical Infrastructure, Villiersdorp	–	,793	793	0%	
Upgrading of Bulk Electrical Infrastructure, Villiersdorp	65	65	65	0%	
Replace and upgrade MV Networks, RSE	2300	2,300	2,257	-2%	
Grabouw highmast lighting	–	196	–	-100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.3.8

3.3.5 COMMENT ON ELECTRICITY SERVICE PERFORMANCE OVERALL

The reduced income can be attributed to consumers who are aware of power consumption and applying a savings policy to reduce personal expenditure. Eskom's load shedding also had an impact on total consumption and income.

There were no abnormal faults or failures that affected the repair and maintenance budget negatively. Part of the savings is also due to a sustained and preventive maintenance program

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTION, WASTE DISPOSAL, CLEANING AND RECYCLING)

3.4.1 INTRODUCTION TO WASTE MANAGEMENT

Theewaterskloof Municipality is committed to a system of waste management that will see the least possible amount of waste going to modern engineered landfills. This will be achieved through the use of education, law enforcement and material recovery and treatment plants. New and emerging technologies, where applicable and affordable, will also play a part in overall waste management. This will need a mind shift from all in Theewaterskloof Municipal area.

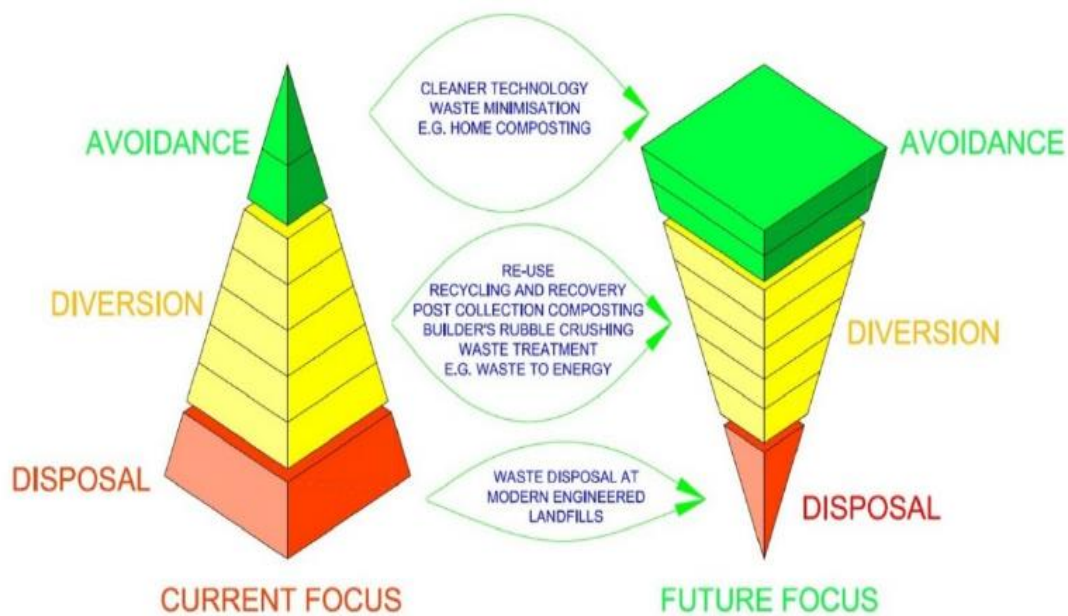


Figure 3-1: Waste Hierarchy

The analysis of the current waste management system has shown the following:

- ❖ All formal residential erven are receiving a weekly door-to-door waste collection service.
- ❖ All collected municipal waste in the Riviersonderend service area is disposed at the the Regional landfill site Karwyderskraal, domestic, builder's rubble and greenwaste are also disposed at the municipality's waste disposal site in Riviersonderend. This site has received a closure license and is due closure by 2019 (applied for extention).
- ❖ All collected municipal waste in the Genadendal and Greyton service areas are disposed at the municipality's Genadendal and Greyton waste disposal sites. These sites have received closure licenses and are due closure by 2019 (applied for extention).
- ❖ Collected waste in Caledon are disposed at the municipality's licensed Caledon landfill.
- ❖ All collected waste in Grabouw, Villiersdorp, Tesselaarsdal and Botrivier are disposed at the Regional landfill site Karwyderskraal.
- ❖ Waste recovery is currently only done in Villiersdorp and investigation to implement it in Grabouw, Caledon and RSE is underway.
- ❖ waste avoidance is not currently addressed
- ❖ Caledon, Greyton, Genadendal and RSE landfill, Villiersdorp and Grabouw Transfer Stations are currently audited internally and externally for permit/license compliance
- ❖ the Villiersdorp landfill has been closed, but not yet rehabilitated
- ❖ The latest by-laws on waste management were promulgated in 2015.
- ❖ External Service provider is used to collect waste from Grabouw, Villiersdorp, Botrivier and Tesselaarsdal and delivered to the Regional Landfill Karwyderskraal. All other dumping of waste is done internally.

Top priorities for Waste Management are the establishment of transfer stations and MRF's in Caledon, RSE and Greyton and Genadendal. Rehabilitation of landfill sites at Riviersonderend, Villiersdorp, Botrivier, Greyton and Genadendal is also a top priority for the municipality although

funding is a challenge. Waste avoidance through education and public awareness is also listed as a top priority.

3.4.2 SOLID WASTE SERVICE DELIVERY LEVELS

Solid Waste Service Delivery Levels				
Description	Households			
	2015/16	2016/17	2017/18	2018/19
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Solid Waste Removal:</u> (Minimum level)				
Removed at least once a week	26 938	36 492	36 492	36 492
Minimum Service Level and Above sub-total	26 938	36 492	36 492	36 492
Minimum Service Level and Above percentage	100.0%	100.0%	100.0%	100.0%
<u>Solid Waste Removal:</u> (Below minimum level)				
Removed less frequently than once a week	0.82			
Using communal refuse dump	1.37			
Using own refuse dump	6.82			
Other rubbish disposal				
No rubbish disposal	0.38			
Below Minimum Service Level sub-total	9.39	0.00	0.00	0.00
Below Minimum Service Level percentage	0.0%	0.0%	0.0%	0.0%
Total number of households	26 947	36 492	36 492	36 492
				T3.4.2

3.4.3 HOUSEHOLDS: SOLID WASTE SERVICE DELIVERY LEVELS BELOW MINIMUM

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Households					
	2015/16	2016/17	2017/18	2018/19		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	21 616	26 938	29 745	29 745	29 745	29 745
Households below minimum service level	–	–				
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	21616	26938	6 747	6 747	6 747	6 747
Households ts below minimum service level						
Proportion of informal households ts below minimum service level	0%	0%	0%	0%	0%	0%

3.4.4 EMPLOYEES SOLID WASTE MANAGEMENT (STREET CLEANSING)

Employees: Solid Waste Management Services (Transfer and Street Cleansing)					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	73	75	75	0	0%
4 - 6	3	4	4	0	0%
7 - 9	10	12	12	0	0%
10 - 12	2	4	4	0	0%
13 - 15	0	0	0	0	-
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	88	95	95	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T3.4.5</p>					

3.4.5 FINANCIAL PERFORMANCE: WASTE MANAGEMENT SERVICES

Financial Performance : Solid Waste Management Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(37,008)	(42,785)	(43,843)	(43,550)	-1%
Expenditure:					
Employees	14,021	15,041	15,041	14,932	-1%
Repairs and Maintenance	2,919	3,665	3,777	3,429	-9%
Other	25,159	34,413	34,239	24,566	-28%
Total Operational Expenditure	42,099	53,119	53,057	42,928	-19%
Net Operational Expenditure	5,091	10,334	9,214	(622)	-107%
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i></p>					T3.4.7

3.4.6 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES

Capital Expenditure : Waste Management Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	10,734	12,046	12,046	0%	
Transfer Station, Caledon	4,193	4,163	4,163	0%	
Transfer Station, Caledon	2,632	2,434	2,434	0%	
Waste Drop off, RSE	3,690	5,032	5,032	0%	
Waste Drop off, RSE	,220	,418	418	0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.4.9

3.4.7 COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

Phase 1 of the Caledon and RSE Waste Transfer Station and Material Recovery Facilities was completed. Tenders for Phase 2 for both facilities will go out for 2019/20 financial year. Funding was secured for the construction of Greyton Drop Off. The recycling tender for Theewaterskloof Municipality was compiled and budget was secured to go out on tender to implement in 2019/20 financial year. The contractor for the haulage of waste was appointed, which includes the chipping of green waste to increase diversion.

3.5 HUMAN SETTLEMENTS

3.5.1 INTRODUCTION TO HUMAN SETTLEMENTS

Theewaterskloof, as most municipalities across South Africa, is experiencing a rapid rate of urban growth. Much of this growth takes place in the larger, metropolitan areas in the forms of backyard housing in existing townships, informal occupation of existing buildings, and informal settlements on open parcels of land located on the urban periphery. Such rapid urbanisation often results in high crime rates and very poor, unhealthy and insecure living conditions for a significant number of households within informal settlements. It also means that the demand for adequate housing increases.

The Human Settlements Department is responsible for facilitating the development of Sustainable Integrated Human Settlements in the Theewaterskloof Municipal Area.

The delivery of housing opportunities is bound to many variables. One key variable is access to funding sources. This, coupled with the growing demand for housing opportunities means that we must do more with less and prioritise our projects in such a way that we are, at a minimum able to provide for the incremental upgrading of informal settlement through the provision of basic services. This focus is also in line with the Strategic trajectory set by the National and Provincial department of Human Settlements which emphasises the following:

- ❖ Directing more resources to the Upgrading of Informal Settlements Programme (UISP), in order to improve the living conditions of many people in informal settlements and in backyards who continue to wait for houses;
- ❖ Increasing Affordable/GAP Housing to provide shelter for people who earn too much to qualify for free subsidised houses and too little to qualify for home loans; and
- ❖ Prioritising the most deserving people in relation to the allocation of free BNG (RDP) houses.

To support these key areas, the Municipality developed and implemented a range of projects and interventions, some of which will extend beyond 2020 and have lasting impacts on our communities.

HOUSING OPPORTUNITIES VS DEMAND

In line with the Provincial Living Cape Framework, the municipality has refocused efforts towards housing delivery one that views human settlements as holistic and requires acknowledging the need for integration within human settlements (for example integration between housing and services). It also requires acknowledging important connections between human settlements and broader social, spatial, natural, and economic systems.

With this in mind it is important to note that housing delivery is not simply about tangible outputs, but also takes into account improving the quantity and quality of human settlements, as holistic spaces, in urban areas.

As highlighted in the table 1 below, over the past five financial years' the municipality has delivered a total of 2 113 housing opportunities. The rapid increase in the demand and the continuous growth of informal settlements indicates the amount of houses delivered annually cannot address the growth in the housing demand.

Table 1

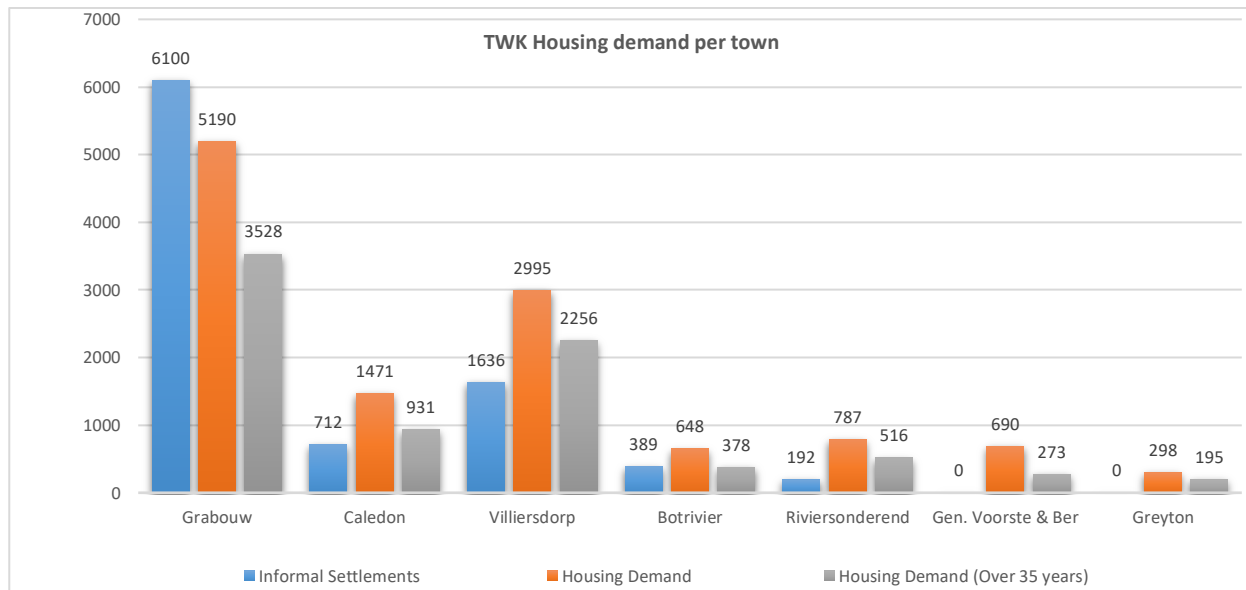
Year end	Registered Demand (waiting list)	Number of Houses built	Number of serviced sites
2014/15	12 912	400	251
2015/16	10 727	473	134
2016/17	10 006	231	32
2017/18	11 608	157	103
2018/19	11 880	139	193

In view of these statistics, it is noted that the provision of housing and infrastructure has tended to take the form of large-scale housing projects, consisting of free-standing housing units. This has colloquially been called 'RDP' or 'BNG' housing, but in fact draws on a range of subsidy and infrastructure programmes. These projects are often on the edge of urban areas, adjacent to historical townships and far from urban centres. They are a driving force in the spatial expansion of towns and cities. They represent a huge effort to improve the conditions in which people in the Western Cape live and to prepare for future generations of residents.

However, it is widely recognised that the state's investments have not created integrated sustainable human settlements as envisaged by guiding policy documents such as Breaking

New Ground, the National Development Plan and OneCape2040. Looking toward the future, human settlements planning and policy development must take account of the fact that the Theewaterskloof population is growing, and that a large proportion of the growth will be at the lower end of the market. This growth adds to the existing challenges presented by high levels of unemployment and demands for services.

The housing demand represents a huge challenge to the municipality. The current pace of housing delivery is unable to keep up with the growing demand. The budget for housing delivery is declining relative to the growing need for subsidised opportunities. The Chart below represents the registered housing demand per town.



There are both demand and supply drivers which contribute to the delivery challenge. On the side of demand, the effective demand for housing (the amount households are willing and able to pay) is negatively impacted by low incomes, high levels of unemployment, and limited access to housing finance. Low-income households simply cannot afford adequate housing provided by the formal private sector. On the supply side, both the state and the private sector experience red tape, high building costs and land constraints, all of which impact on both the scale and speed of housing development. In addition, the state has limited resources such as management capacity and skills to implement complex projects, and limited funding for subsidies and the associated infrastructure.

The housing demand, in essence can never be met in totality, but it challenges us to implement more and better housing opportunities that can be achieved both through incremental development of existing areas and strategic infill, brown-field and greenfield projects.

3.5.2 HUMAN SETTLEMENTS PROJECTS HIGHLIGHTS

Human Settlements Performance 2018/19

Primarily the delivery targets are set by the Department of Human Settlements aligned with the Human Settlements Development Grant provided to the municipality. Through a consultative process, and based on variables such as readiness, bulk infrastructure, funding availability, capacity, etc., a Business Plan is developed and implemented by the municipality.

For the 2018/19 financial year, this Business Plan was approved with a R43 million budget and consisted a number of projects in almost all the Theewaterskloof towns.

Theewaterskloof	Planned Outputs 2018/19		Actual Delivery	
	Sites	Houses	Sites	Houses
Grabouw Rooidakke (1169)		100		82
Grabouw Rooidakke Ext Iraq (456)	193		193	
Riviersonderend (135) UISP	37	50	37	
Grabouw Hillside (348)		27		25
Caledon Side Saviwa (220+29)		32		32
SUB TOTAL	230	209	230	139
Adjusted Allocation : R 43,6m				

Capital Projects

Capital projects refer to the planning and installation of civil engineering services for a housing development. Various capital projects were implemented during the 2018/19 financial year with the upgrading of the Joe Slovo informal settlement in Riviersonderend being allocated the highest funding. Once completed, this project will yield 135 sites and 135 low cost housing opportunities.

Additionally, 25 houses was completed and handed over on the Hillside project in Grabouw and 82 on the Rooidakke 1169 projects respectively.



Rooidakke 1169 , Grabouw



Hillside, Grabouw



Joe Slovo Riviersonderend



Grabouw Iraq 456

This project forms part of the municipality's informal settlements upgrading plan. This project will be an enhanced service site project meaning that each site will have an ablution facility, water point and electricity connection. Top structures will only provide to the most deserving and

vulnerable beneficiaries prioritised in line with the council approved beneficiary selection and allocation policy. In the 2018/19 financial year the project yielded 193 enhanced serviced sites.

Iraq, Grabouw

Planned Future Human Settlements Delivery



3 YEAR DELIVERY PLAN		2019/2020			2020/2021			2021/2022		
Post-GAAC 1 February 2019 2019/20 - 2021/22 HSDG		PROGRAMME								
Average Site Cost (R'000)	60	SITES SERVICED	HOUSES BUILT	FUNDING R'000	SITES SERVICED	HOUSES BUILT	FUNDING R'000	SITES SERVICED	HOUSES BUILT	FUNDING R'000
Average Unit cost (R'000)	130									
Theewaterskloof		475	196	63 349	250	150	34 500	703	50	48 680
Grabouw Rooidakke (1169) Tops	PHP		85	11 000		50	6 500			
Grabouw Rooidakke Ext (Balance of 4300)	UISP			1 000				200		12 000
Grabouw Rooidakke Ext Irak (456)	UISP	263		15 780						
Grabouw Hillside (348) (121 + 227)	UISP	50	26	6 380	50	50	9 500	50	50	9 500
Grabouw Waterworks (710) UISP	UISP				100		6 000	100		6 000
Grabouw Waterworks Beverly Hills (164 of 710)	UISP	125		7 500		50	6 500			
Grabouw Siyanyanzela (970)	UISP			2 000						
Riversonderend (135)+37 UISP	UISP	37	85	13 270						
Villiersdorp Destiny Farm (2305) IRDP	UISP			2 000	0		0			
Villiersdorp Westside (153)	UISP							153		9 180
Caledon (790) (Riemvasmaak)	UISP			1 000	100		6 000	200		12 000
Caledon Side Saviwa	IRDP			1 000						
Greyton Erf 595 (165)	IRDP			419						
Greyton Madiba Park (40)	EHP									
Genadendal Voorstekraal (35)	EHP									
Gypsy Queen	INDI									
Two-a-day	IRDP									
Botriver Community Hall	SEF			2 000						

Project Planning

Funding for the pre-planning and feasibility studies on various projects was allowed for on the 2018/19 budget which is earmarked to significantly reduce the housing demand backlog in the entire Theewaterskloof area.

Caledon Extension (Riemvasmaak)

This project is earmarked to significantly reduce the housing demand backlog for the town of Caledon. It is estimated that this project will yield +/- 1 000 housing opportunities.

Botrivier, New France Extension

A housing development is planned on the parcel of land, namely Portion of Portion 51 of farm 436, within the Botrivier urban edge. The municipality is committed to undertake and coordinate the town planning processes.

Greyton Erf 595

This project is earmarked to significantly reduce the housing demand backlog for the entire Greyton area. It is estimated that this project will yield 165 serviced sites.

Grabouw Rooidakke Extension

This project is earmarked to significantly reduce the housing demand backlog for the entire Grabouw area. It is estimated that this project will yield 7000 serviced sites.

Destiny, Villiersdorp

The Theewaterskloof Municipality, through its implementing agent, is in planning for the subsidised housing development on Destiny Farm, Villiersdorp, in terms of the Integrated Residential Development Programme (IRDP).

3.5.3 EMPLOYEES: HOUSING SERVICES

Employees: Human Settlements (Including Informal Settlements)					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	3	3	3	0	0%
10 - 12	8	9	8	1	11%
13 - 15	0	1	1	0	0%
16 - 18	1	0	0	0	-
19 - 20	0	0	0	0	-
Total	12	13	12	1	8%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					

T3.5.4

3.5.4 FINANCIAL PERFORMANCE: HOUSING SERVICES

Financial Performance: Housing Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(16,858)	(61,255)	(56,017)	(22,705)	-59%
Expenditure:					
Employees	4,750	5,781	5,781	5,354	-7%
Repairs and Maintenance	617	8	1616	225	-86%
Other	1,091	37,799	39,072	12,221	-69%
Total Operational Expenditure	6,458	43,588	46,469	17,800	-62%
Net Operational Expenditure	(10,401)	(17,667)	(9,548)	(4,905)	-49%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.5.5

3.5.5 CAPITAL EXPENDITURE: HOUSING SERVICES

Capital Expenditure : Housing Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	24,100	18,085	11,112	-39%	
Low Cost Housing	24,100	17,158	11,021	-36%	
Grabouw Hillside Civils	–	,740	,92	-88%	
Pine View 266 Civils	–	,187	–	-100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.5.6

3.5.6 COMMENT ON HOUSING SERVICE PERFORMANCE OVERALL

Total Operating Expenditure

Repairs and Maintenance

The vehicles utilised by the human settlements department was newly purchased hence the low spending on repairs and maintenance. The vehicle utilised by the Grabouw of is relatively timeworn and major repairs or replacement of the vehicle is required.

Other Operating Expenditure

Contracted Services – Legal Cost: The biggest portion of this expenditure resorts under the Title Deeds Restoration Programme budget (R 5 467 640.00) which is a programme aimed at appointing attorneys for the transferring of historic low cost houses into the names of the beneficiaries. The fact that a large amount of land parcels on which these houses were built belongs to other organs of state such as the National Department of Public Works hampers the municipality's ability to transfer these properties as the municipality is not the land owner.

The land must first be transferred to the municipality before it can be transferred to the beneficiaries. In cases where the municipality is the land owner, town planning approvals lapsed and general plans were not registered this also has an impact on the spending. The municipality is in the process of appointing a town planner and a land surveyor to address these issues in order to ensure that the transfer pertaining to municipal land can be affected.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.6.1 INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The following table indicates the percentage of indigent households per town that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality the following qualifying criteria apply: a household where the combined or joint gross income of all occupants/residents/dependents, over the age of 18 years or who have potential earning capacity, is less than twice the monthly pension grant and can no longer afford to pay for the services provided by the council (subject to verification by Ward Councillor in consultation with the Ward Committee).

The "Spouse support/Care Grant" or "Child support Grant" should not be added to the Indigent Qualifying income threshold.

The municipality provides the following Free Basic Services to indigent households:

- Water: 6kl (all households)
- Electricity: 70kwh
- Weekly refuse Removal
- Free Sanitation

Council approved the broadening of the indigent scope by including two more categories:

1. Deemed indigents

- **The National Framework for Municipal Indigent Policies** makes different provisions in terms of targeting the indigent.
- Municipalities are moving towards the application of **multiple targeting** and or **combination targeting approaches**. They therefore cater for a **broader scope of indigent applications** and implement **various levels of indigent relief** based on their **own unique circumstances**.
 - **Geographical (zonal) targeting** where a particular area within the municipality is identified as poor and the tariffs for services provided in this area are adjusted accordingly.
 - **Targeting through lack of credit control**: in this case consumers of the service are billed but there is inadequate follow up to ensure payment. This non-

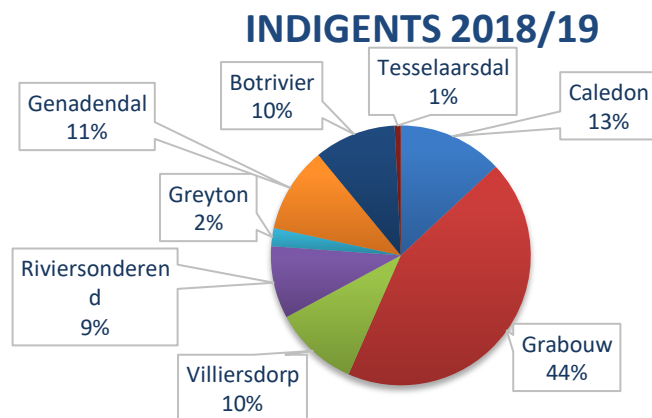
sustainable approach is unfortunately widely applied, particularly in low cost housing areas where poverty prevail and lack of credit control tools exist.

2. Indigent Relief for Old Age Homes

The qualification criteria for old age homes in order to receive indigent assistance on water, refuse and sewerage services are as follows:

- A 50% indigent assistance when more than 50% of the residence within an old age home receives less than twice the monthly grant for elderly persons; and
- A 40% indigent assistance when between 40% and 50% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 30% indigent assistance when between 30% and 40% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 20% indigent assistance when between 20% and 30% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 10% indigent assistance when between 10% and 20% of the residence within the old age home receives less than twice the monthly grant for elderly persons; and
- A 5% indigent assistance when between 0% and 10% of the residence within the old age home receives less than twice the monthly grant for elderly persons;

Town	Total
Caledon	875
Grabouw	2920
Villiersdorp	706
Riviersonderend	604
Greyton	151
Genadendal	716
Botrivier	683
Tesselaarsdal	51
Totals	6706



The table below indicates the number of households that have access to free basic services.

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R 3 600 per month (Registered Indigents)								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2016/17	33,097	4399	2311	53%	4316	98%	1979	45%	4366	99%
2017/18	33,097	5372	2391	45%	4097	76%	2076	39%	4163	77%
2018/19	33,899	5519	5473	99%	5370	97%	4741	41%	5431	98%
T 3.6.3										

T 3.6.3

Please note that TWK Municipality does not provide Electricity in all 8 towns - Eskom provide in Grabouw, Genadendal, Botriver and Tesselaarsdal.

3.6.2 FINANCIAL PERFORMANCE: FREE BASIC SERVICES DELIVERED

Financial Performance: Cost to Municipality of Free Basic Services Delivered					
					R '000
Services Delivered	2017/18	2018/19			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	3,193	7,262	7,262	4,997	-31%
Waste Water (Sanitation)	6,371	7,773	7,773	9,538	23%
Electricity	2,744	2,266	2,266	2,995	32%
Waste Management (Solid Waste)	7,151	8,738	8,738	10,863	24%
Total	19,459	26,039	26,039	28,393	9%
					T3.6.4

3.6.3 COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The free basic services were funded from the “equitable share” grant received from National Treasury plus an amount from the municipality's own income as budgeted for in the financial year under review.

2017/2018 Indigent Cost

Indigent			
Services	Tariff	Equitable Share Allocation	Total Cost per Indigent
Sewerage	147.6	90.43	57.17
Water	143.6	116.66	26.94
Electricity (70 free units)	127.09	76.14	50.95
Refuse	163.2	75.81	87.39
Total Cost per Indigent	581.49	359.04	222.45

2018/2019 Indigent Cost

Indigent			
Services	Tariff	Equitable Share Allocation	Total Cost per Indigent
Sewerage	173.20	95.77	77.43
Water	161.80	125.45	36.35
Electricity (70 free units)	134.53	81.62	52.91
Refuse	194.70	80.28	114.42
Total Cost per Indigent	664.23	383.12	281.11

The table above clearly indicates that the cost to deliver free basic service exceeds the funding received from National Treasury. The municipality is subsidizing indigent household with R281, 11 per household. This demonstrates and confirms our view that the equitable share formula must

be reviewed. The municipal expenditure on free basic service increased from 19,459m to 28,393m in 2018/19.

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

3.7 ROADS

3.7.1 INTRODUCTION TO ROADS

The municipality have the mandate from Government to perform all relevant services

The town areas are still the responsibility of the Overberg District Municipality. The municipality have updated its Pavement Management System (PMS) and the system is used as a network level tool.

Due to ageing of current infrastructure the focus has shifted from only upgrading of roads from gravel to paved, and now also includes rehabilitation, resealing and maintenance projects funded out of capital funding.

Roads are being upgraded on a contract basis. A five year maintenance programme with priorities and budgets is available in the PMS as well as Integrated Transport Plan. There is little provision for pedestrian and bicycle travel in the municipal area apart from conventional sidewalks in the central business districts.

There are no facilities on rural roads for non-motorized transport.

**Villiersdorp Road
Infrastructure**



3.7.2 GRAVEL ROAD INFRASTRUCTURE

Gravel Road Infrastructure				
				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year 2016/17	98.80	0.00	1.50	100.3
Year 2017/18	101.00	2.20	0.30	100.0
Year 2018/19	98.30	0	0.00	98.30
				T3.7.2

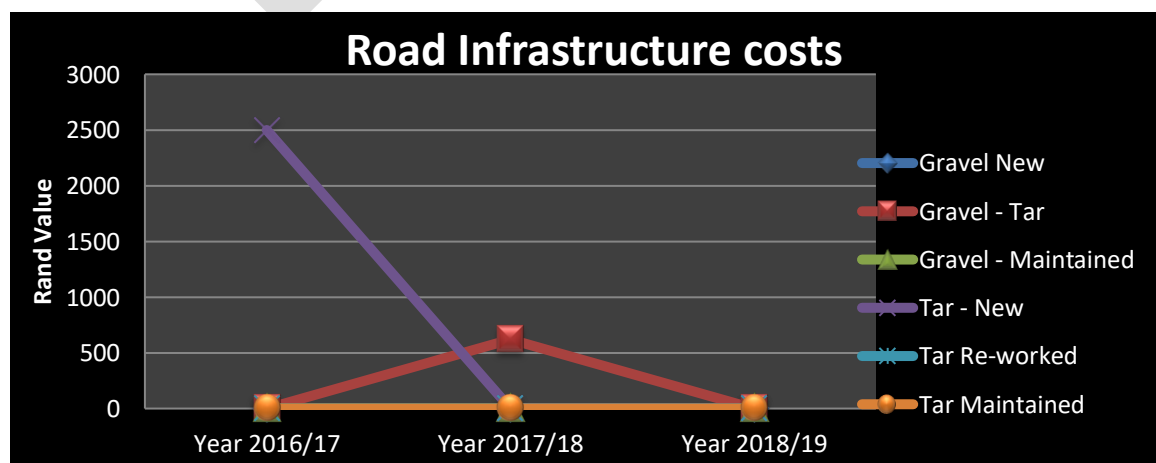
3.7.3 TARRED ROAD INFRASTRUCTURE

Asphalt Road Infrastructure					
					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year 2016/17	163	1.5	0	0	operations
Year 2017/18	163	0.3	0	0	operations
Year 2018/19	163.3	0	0.2	0	35
					T3.7.3

3.7.4 COST OF CONSTRUCTION/MAINTENANCE

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year 2016/17	0	0	operations	2500	0	operations
Year 2017/18	0	620	operations	0	0	operations
Year 2018/19	0	0	operations	0	0	operations
						T3.7.4

3.7.5 ROAD INFRASTRUCTURE COSTS



3.7.6 EMPLOYEES: ROAD SERVICES

Employees: Road Services (Streets and Storm water) - including building maintenance					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	48	48	48	0	0%
4 - 6	14	14	14	0	0%
7 - 9	12	12	10	2	17%
10 - 12	10	10	9	1	10%
13 - 15	5	5	5	0	0%
16 - 18	2	2	2	0	0%
19 - 20		0	0	0	-
Total	91	91	88	3	3%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T3.7.7

3.7.7 FINANCIAL PERFORMANCE: ROAD SERVICES

Financial Performance : Road Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(6,765)	(6,263)	(6,806)	(7,041)	3%
Expenditure:					
Employees	17,781	18,376	18,376	18,338	0%
Repairs and Maintenance	4,723	6,573	7,140	5,909	-17%
Other	9,463	5,425	5,201	7,604	46%
Total Operational Expenditure	31,967	30,374	30,717	31,851	4%
Net Operational Expenditure	25,202	24,111	23,911	24,810	4%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.7.8

3.7.8 CAPITAL EXPENDITURE: ROAD SERVICES

Capital Expenditure: Road Services					
					R' 000
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	10,734	12,046	12,046	0%	
Transfer Station, Caledon	4,193	4,163	4,163	0%	
Transfer Station, Caledon	2,632	2,434	2,434	0%	
Transfer Station, Caledon	-	-	-	-	
Waste Drop off, RSE	3,690	5,032	5,032		
Waste Drop off, RSE	220	418	418	0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)</i>					T3.7.9

3.7.9 COMMENT ON ROAD MANAGEMENT SERVICE PERFORMANCE OVERALL

Road Inventory

In summary, the Municipality contains 282 km of roads and an additional 22 km of roads which are 80/20 subsidised by the Province.

Around 105 km of the roads are unpaved roads while most of the paved roads have bituminous, flexible pavement surfacing's. Eight km of the roads have block pavements.

Around 85% of the roads are Class 5 Access roads with the balance being Class 4 Collectors. There is a short section of Class 3 road represented by Main Road through Bot River. The western portion of this road is a gravel road.

Road Conditions

Road conditions vary across the towns in the LMs while 80% of the bituminous road surfacing's need urgent attention to prevent moisture ingress and extend the life of the underlying pavements.

Backlogs in terms of resurfacing and road rehabilitation are significant.

Issues and Risks

The major issues and risks identified at this stage are:

- The road maintenance budget should be of the order of R20 million per year and is currently variable and only a fraction of that amount.
- The total bituminous road rejuvenation and resurfacing need is of the order of R38 million per year. If an amount of some R13 million of the above R20 million budget is allocated to rejuvenation and resurfacing this backlog should be cleared in 3 years.
- Many of the road surfacing's have deteriorated to the point where road conditions are becoming a danger to road users and the costs associated with reconstruction, instead of surface maintenance, will have to be borne. Currently the road rehabilitation and

- reconstruction requirement is of the order of R68 million which is substantial and will need to be attended to in a programmed manner while trying to extend the lives of some of these pavements through patching and resurfacing.
- The risk of giving too much attention to the roads in very poor condition to the detriment of maintaining surfacing's on roads in a fair condition and resulting in a poor allocation of resources is high.
- Many of the 105 km of unpaved roads will need paving over time and a programme needs to be initiated to address this in a prioritised manner over a 10-year period.

Road Asset Management System

The District wide RRAMS system has been implemented to assist in managing the road network. This system will be improved using the information and systems supplied as part of this DM initiative. The Municipality has its own Pavement Management System but this is not updated annually.

Policy

The Municipality is in the process of developing a Road Asset Management Policy.

Objectives

The objectives of this Plan are

- to try and extend the lives of the paved roads in order to minimise the rehabilitation need
- to rehabilitate roads where required
- to ensure road standards are commensurate with the functional class of the road.

Road Maintenance Operations

Current road maintenance operations are identifying problems and repairing them as appropriate with severely limited and variable budgets.

Road Upgrading

Upgrading of gravel roads to paved is required and this can proceed over time in a prioritised manner once the deterioration of paved roads has been arrested. Where available, MIG funding is used upgrade roads.

Resourcing

The LM has fair institutional resources and budgets for road maintenance but a more consistent needs driven budget is required.

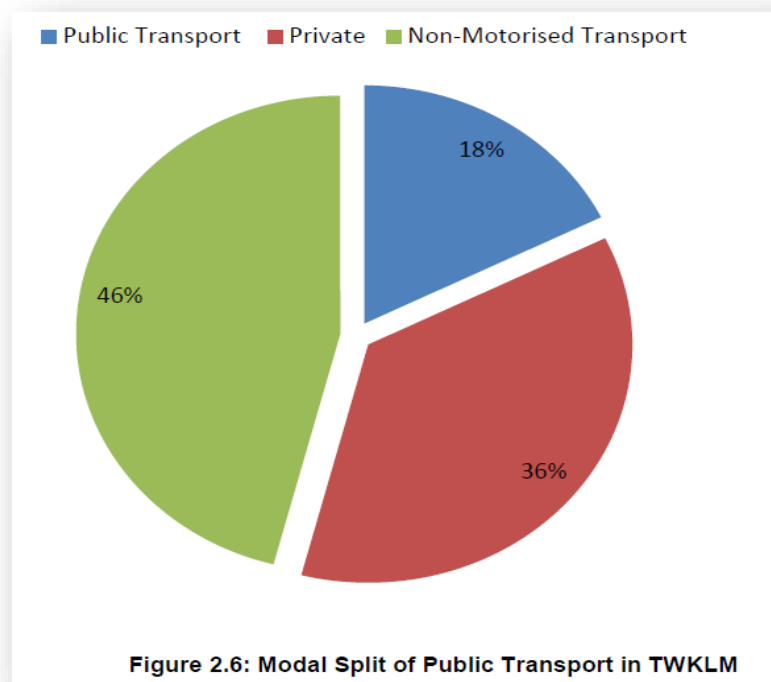
Continuous Improvement

The outputs of the RAMS as well as the current maintenance practices can be continuously evaluated by the LM to ensure value for money and cost-effectiveness.

3.8 TRANSPORT (INCLUDING VEHICLE LICENCING & PUBLIC BUS OPERATION)

The local public transport services in TWKLM enable people to access destinations, which cannot be reached on foot or by other modes of non-motorised transport (NMT). These destinations include essential services or activities such as places of employment, shops, government services, hospitals, clinics and schools.

TWKLM comprise of a few small towns and low-density settlements. Most of these settlements are linked to the towns of Grabouw and Caledon, which serves as the main service centres and public transport hubs in TWKLM.



Public transport accounts for approximately 18% of total work trips in TWKLM as shown in Figure 2.6. It appears that 46% of passengers in TWKLM walk and 36% use private vehicles to reach their destinations. This can be as a result of the extreme difference in income levels within the LM.

Currently Minibus Taxis (MBT) is the dominant public transport mode for both commuter and long-distance services. Population densities are relatively low in TWKLM and this reduces the cost effectiveness of bus services. Most bus services that operate in TWKLM are for learners forming part of the Department of Education's contracted services for learners. There are limited scheduled long distance bus services and no commuter rail services exist in TWKLM.

Routes and ranks

MBT rank surveys were undertaken as part of the 2015 TWKLM CPTR, in the towns of Grabouw, Villiersdorp and Caledon. Currently TWKLM has one formalised MBT ranks situated in Grabouw. No formal taxi ranks exist in Villiersdorp or Caledon. Generally MBT's utilised on-street parking bays or parking lots at retail stores. Surveys of both formal as well as certain busier informal ranks were undertaken. The identification of these rank locations were identified based on discussions with MBT association representatives.

There are currently four informal MBT ranks that operate within TWKLM, two of which are located in the town of Caledon and two located in Villiersdorp. MBT services are limited in TWKLM with only 17 routes operating from the town of Caledon, Grabouw and Villiersdorp to surrounding areas such as Rooidakke, Slangpark Uitsig, Bergsig and Middleton. Surveys showed that limited local Grabouw routes i.e. from town to surrounding low income residential areas such as Pine View, Melrose, Council and Rooidakke and to surrounding towns i.e. Vyerboom and Villiersdorp are operational during the weekdays. Similarly the surveys also show limited weekday service for local routes from Villiersdorp and Caledon. While other services in and to surrounding towns were more operational on weekends. The highest demand for MBT's occurs on Saturdays, especially at the end of the month. The longer distance MBT service is to Bellville, Somerset West and Khayelitsha.

Typically a route is linked to a particular informal rank or departure point. For example, the Plein Street rank in Caledon only has service to Greyton and Genadendal.

3.9 WASTE WATER (STORMWATER DRAINAGE)

3.9.1 INTRODUCTION TO STORMWATER DRAINAGE

Storm water maintenance is done by operations department. Maintenance on storm water is done in warmer months to prevent damage during the rainy season. Storm water networks were upgraded as part of the Roads Upgrading Programme.

Storm water network comprises of a piped system and open drainage channels. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during winter. The upgrading of roads however contributes to the addressing of this backlog as storm water drainage is installed together with the construction of roads.

The misuse of the storm water system remains a matter of concern. Blockages that cause flooding frequently occur due to foreign objects entering drainage pipes. Maintaining and cleaning the system is an ever increasing expense and effort.

The storm water master plan has been updated during the 2014/15 financial year by consulting engineers.

Challenges:

With respect to storm water management, the following challenges are experienced by the municipality:

- ❖ Very wide Jurisdiction
- ❖ Wide spread storm water area
- ❖ Inadequate on non-existent storm water systems in towns
- ❖ Continuous flooding has created a huge backlog
- ❖ EIA process takes a lot longer than anticipated



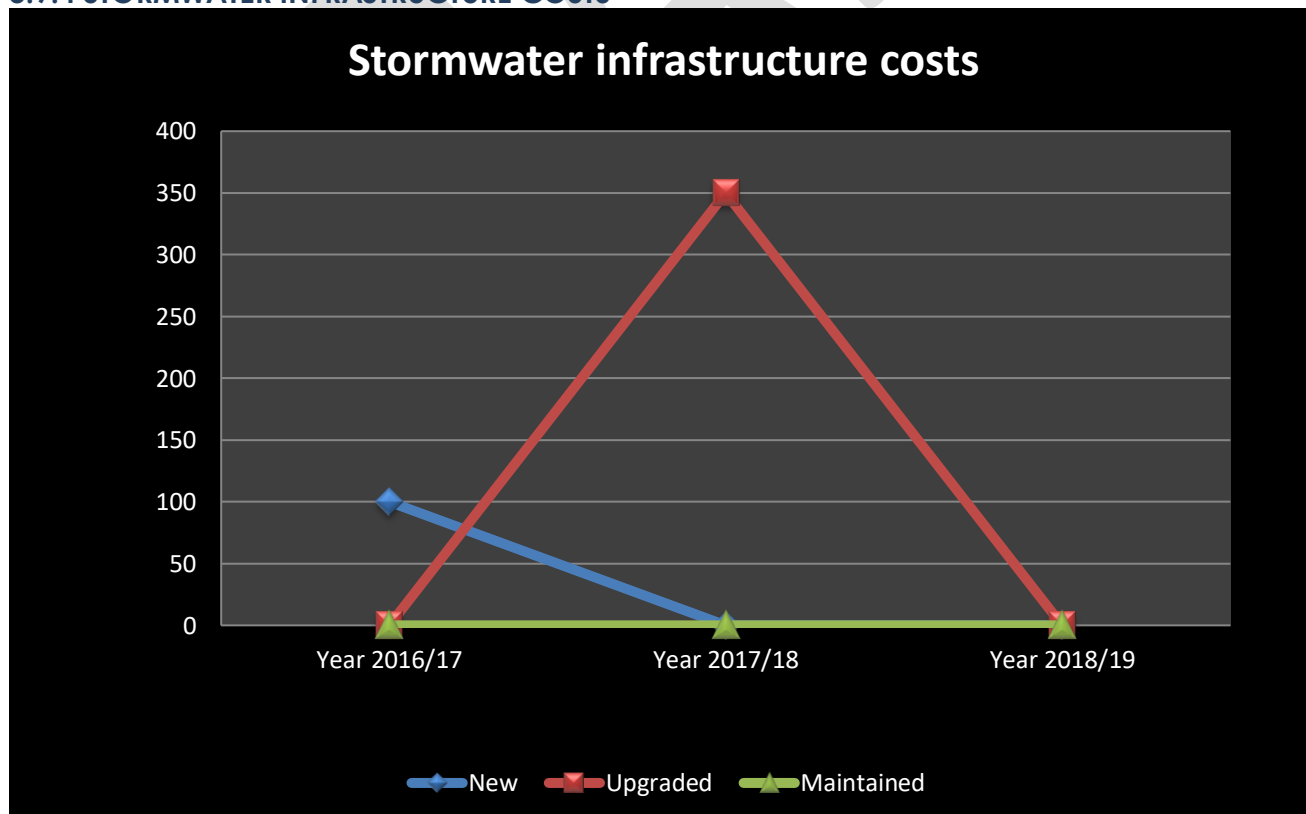
3.9.2 STORMWATER INFRASTRUCTURE

Stormwater Infrastructure				
				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year 2016/17	161	2.0	1.0	operations
Year 2017/18	161	0.0	300.0	operations
Year 2018/19	161	0	0	operations
				T3.9.2

3.9.3 COST OF CONSTRUCTION/MAINTENANCE

Cost of Construction/Maintenance			
			R' 000
Stormwater Measures			
	New	Upgraded	Maintained
Year 2016/17	100	0	operations
Year 2017/18	0	350	operations
Year 2018/19	0	0	operations
			T3.9.3

3.9.4 STORMWATER INFRASTRUCTURE COSTS



3.9.5 EMPLOYEES: STORMWATER SERVICES

Stormwater services employees are included with Road services employees.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 INTRODUCTION TO PLANNING AND DEVELOPMENT

This component includes: planning and local economic development.

3.10 .1 INTRODUCTION TO PLANNING

Spatial Planning, Land Use Management, Building Control and Geographic Information System (GIS) services are rendered by the Town Planning and Building Control Section. These functions are done in accordance with the applicable National, Provincial and Municipal legislation as well as National and Provincial directives and Council policy. The function aims to facilitate sustainable urban and rural development.

In terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), a municipality must adopt and approve a single land use scheme for the whole of the municipal area within five years from the commencement of the aforementioned act. In response, the Theewaterskloof Municipality embarked on the development of a zoning bylaw. The bylaw was approved by Council in June 2019.

The municipality is also in the process of reviewing its Spatial Development Framework in accordance with the provisions of the National, Provincial and Municipal planning legislation, as well as the Municipal Systems Act, 2000 (Act 32 of 2000). With the inception of the project, no funding was available to appoint a service provider to complete this project. The section therefore commenced with the review, in house, in partnership with the Department of Environmental Affairs and Development Planning. However, during the adjustment budget, funding was made available by the Department: Local Government to complete this project. Subsequently a service provider was appointed. The project is set to be completed before the end of 2019.

The department aims to be as developmentally orientated as possible, in order to promote Council's development agenda. Within this regard, a number of projects were implemented in an attempt to be as efficient as possible during the statutory approval process. The building control section implemented a system of electronic submission of building plans. This has greatly increased the efficiency of the circulation of plans and has also made the submission process for clients much easier. As of 1 July 2019, the building control section will only be accepting electronic submissions. The town planning section also implemented a GIS based land use management system. This land use management system is aligned with the workflow of the new planning dispensation and allows for the effective monitoring and administration of land use applications.

3.10.2 APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development

Planning applications finalised	Departure	Consent use	Rezoning	Subdivision	ROR	Permission into zoning scheme	Amendment of conditions of approval	Occasional land use	Consolidation
July 2018	4	2	-	-	-	-	-	-	-
August 2018	4	4	2	1	3	1	1	1	-
September 2018	1	3	1	2	-	-	-	1	1
October 2018	1	3	-	2	1	-	-	1	1
November 2018	15	4	1	1	1	1	-	-	1
December 2018	1	1	-	-	1	-	-	-	-
January 2019	2	1	2	1	-	-	-	-	-
February 2019	-	1	2	1	-	-	-	-	-
March 2019	4	2	-	-	-	-	1	-	-
April 2019	1	3	1	-	-	-	-	-	-
May 2019	1	3	1	-	-	-	-	-	-
June 2019	6	1	-	2	1	-	1	-	-

T 3.10.2

Planning Policy Objectives

Service Objectives	Outline service targets	Year -1		Year 0		Year 1		Year 2	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Determine applications within a reasonable timescale	Approve building plans within 30 days for buildings less than 500m2 and 60 days for buildings larger than 500m2 after all information required is correctly submitted.	85%	89%	85%	89%	85%	-	85%	-
	Process land use applications within 60 days (delegated official) after receipt of all outstanding and relevant information and documents.	100%	66%	85%	96%	85%	-	85%	-
	Process land use applications within 120 days (MPT) after receipt of all outstanding and relevant information and documents.	100%	85%	85%	100%	85%	-	85%	-

T 3.10.3

3.10.3 EMPLOYEES: PLANNING SERVICES

Employees: Planning Services (Building Control)					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (Budgeted)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	3	3	5	0	0%
10 - 12	4	4	3	1	25%
13 - 15	2	3	3	0	0%
16 - 18	1	2	1	1	50%
19 - 20	0	0	0	0	-
Total	10	12	12	2	17%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p>T3.10.4</p>					

Employees: IDP					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	0	0	0	-
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	-
16 - 18	1	2	2	0	0%
19 - 20	0	0	0	0	-
Total	2	3	3	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p>T3.52.4</p>					

3.10.4 FINANCIAL PERFORMANCE: PLANNING SERVICES

Financial Performance : Planning Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(2,518)	(2,558)	(1,844)	(2,677)	45%
Expenditure:					
Employees	8,974	10,145	10,145	9,165	-10%
Repairs and Maintenance	3	5	13	4	-66%
Other	1,657	1,094	1,656	,590	-64%
Total Operational Expenditure	10,635	11,244	11,814	9,759	-17%
Net Operational Expenditure	8,116	8,686	9,970	7,082	-29%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.10.5

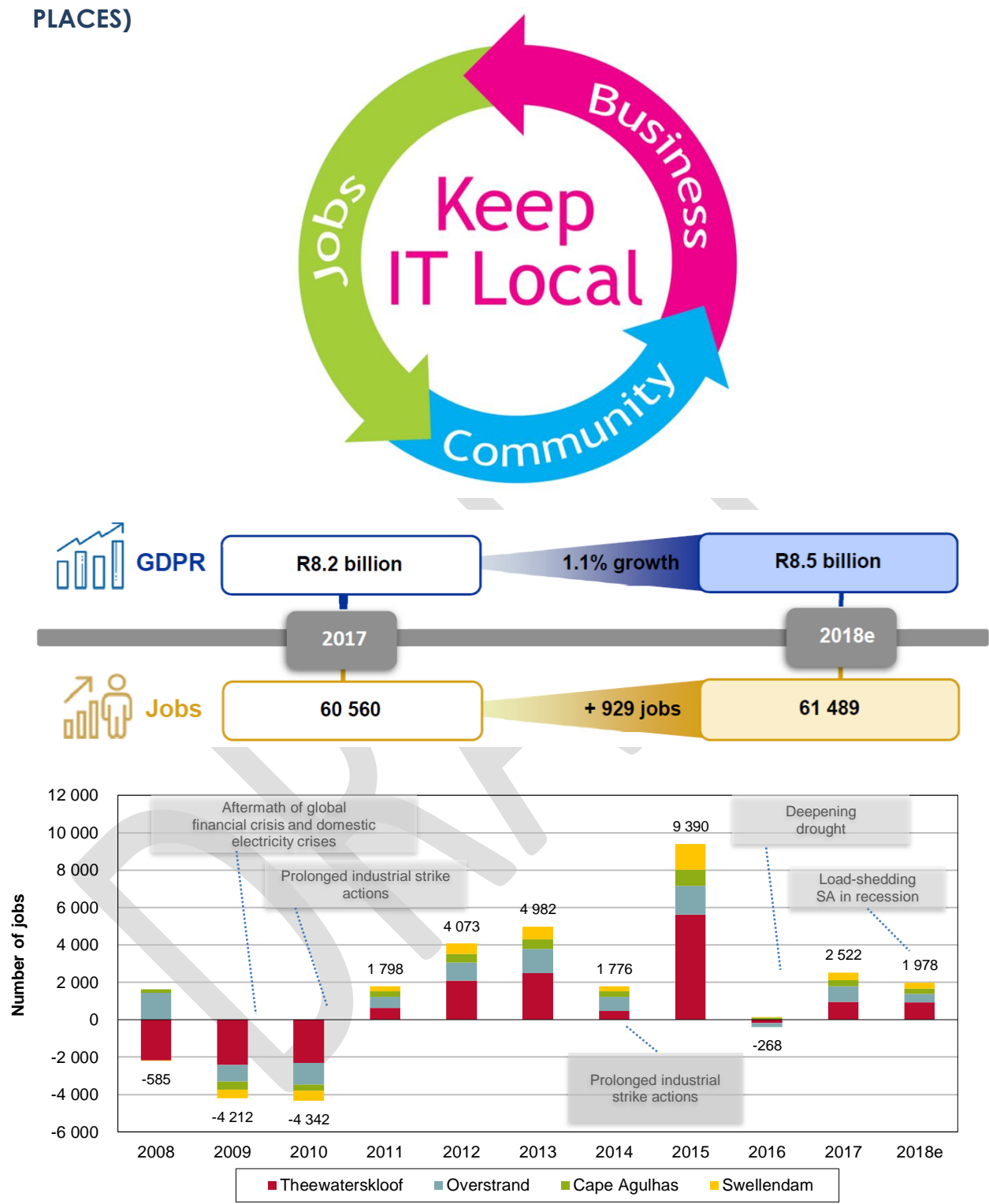
3.10.5 CAPITAL EXPENDITURE: PLANNING SERVICES

Capital Expenditure : Planning Services					
R' 000					
Capital Projects	2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	15,237	13,255	-13%	
Inventory: Development Admin	–	15,237	13,255	-13%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)</i>					T3.10.6

3.10.6 COMMENT ON THE PERFORMANCE OF PLANNING SERVICES OVERALL

The variance between the revenue of the department and the expenditure is as a result of the tariff decrease that Council initiated in the 2018/2019 financial year. The tariff decrease was significant and led to an approximately 40% reduction in the income of the department. It should also be noted that the department has no control over this particular revenue source as it is dependent on the number of land use and building plan submissions in a financial year.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)



In 2017, the Theewaterskloof municipal area was valued at R8.2 billion in current prices, constituting the largest economy in the District (41.0 per cent of OD's economy). It is estimated to have grown at 1.1 per cent in 2018 to R8.5 billion in current prices. Similarly, the Theewaterskloof municipal economy employs the most people throughout the district, 60 560 people in 2017, which is estimated to have grown to 61 489 people, an increase of 929 jobs or 1.5 per cent in 2018.

3.11.1 INTRODUCTION TO ECONOMIC DEVELOPMENT & TOURISM

The purpose of the Local Economic Development and Tourism Division is to provide an enabling and conducive environment to grow the economy in order to stimulate sustainable job creation opportunities and alleviating unemployment. The division is responsible for the following functions i.e.

- Sector Development & Support Services
- Events
- Expanded Public Works
- Business development & Support
- Small Farmer Support
- Tourism and Marketing

The Economic Growth Section focuses on developing enabling policies and strategies, which inform the implementation of key initiatives, projects and programmes to grow the economy in our area. In 2011, the Municipality partnered with private and community sectors to develop a vision for 2030. Vision 2030 provides a framework to make Theewaterskloof an attractive and desirable place to live, work and visit because of its high quality, sustainable country living environment and its connected, creative and productive community. Vision 2030 prioritises creating a great place to live, a visitor destination, a centre of learning, a vibrant economy and a low carbon green region.

The revised LED Strategy conducted in 2015 advised that future interventions should strengthen existing growth and maximise the spin-offs of growth for the surrounding areas. During the 2017/18 period, in line with the Participatory Appraisal of Competitive Advantage (PACA) process conducted and the current LED strategy, the Local Economic Development Services department continued to focus on three of these priorities:

- ✚ Develop a Standard Operating Procedure to promote investment in the region;
 - ✚ Aggressively pursue clothing and agro-processing investment;
 - ✚ Co-ordinate a forum for Non-Governmental Organisations.
- In addition to these priorities, the following initiatives were identified through the IDP process:
- ✚ Stimulation of the informal economy;
 - ✚ Support for small, medium and micro businesses;
 - ✚ Emerging farmer support;
 - ✚ Youth development.

The initiatives implemented during the 2018/2019 financial year was a continuation of the previous financial year's priority economic activities to stimulate the local economy of Theewaterskloof.

Highlights of the 2018/2019 financial year as follow:

Investment Promotion

As an institutional arrangement to give effect to the IFSOP, the Developer Support Task Team was instituted, to provide guidelines and support to investors and promote investor friendly practices within the organisation, leading to increased employment and growths in rates base by acting as a multi-disciplinary team in a well-planned and coordinated way in supporting development or investment initiatives. The functions of the Developer Support Task Committee as per the approved terms of reference are:

- **Supporting investment initiatives** i.e. Undivided attention to projects, speedy and reliable access to information, Communication, Ease of access to decision makers and political leaders, Project planning, Coordinating and supporting of interventions, overseeing and implementing of processes, serve as advisory body to other task teams when required.
- **Increase participation in the economy** i.e. facilitating access to government services, SMME support and Development through optimal local procurement and maximising job creation opportunities through professional services networks.
- **Address social Development** i.e. Streamlining private sector's social corporate investment, Ring fencing Development contributions through municipal land sales, Focus on ECDs and aftercare services, Creating spaces for young people to meet and share ideas and strengthen social networks and Forging partnerships with organisations that provide services for young people including the economic access partnerships

In total twenty five (25) engagements with potential investors was facilitated by the Developer Support Task Team in the 2018/2019 financial year.

Youth Development

Youth Entrepreneurship

The Biggest Deal Challenge is a youth entrepreneur competition driven by the Theewaterskloof Municipality's Department of Local Economic Development. In partnership with the private sector, the program seek to actively address the youth unemployment problem. Now in its sixth year, the competition has become a household name and is a highlight of the school year. Twenty six teams comprising of 118 learners between the ages of 14 – 18 years from eight schools across the Theewaterskloof area have entered the 2018/2019 Biggest Deal Challenge. The key sponsors



of the Biggest Deal Challenge 2018 is ABSA, Western Cape Government and Origin in conjunction with the municipality.

In total seven [7] teams completed the 2018/2019 Biggest Deal Challenge. The prize giving event was hosted on the 3rd November 2018. The event took the form of an exhibition by all the team who finished the race. The prizes awarded was sponsored by various sponsors and the 1st prize awarded was R10 000.00 in cash to the wining school, R6 000.00 cash to the 2nd winning team, R4 000.00 to the third runner up team and R2000.00 to the 4th runner up team.

Small Business Support and Development

Business support and development as a key strategic thrust of local economic development was supported through the provision of tender training, in collaboration with supply chain management in Villiersdorp, which was attended by local enterprises. In conjunction with National Treasury a Supplier Open Day was held in Caledon where information with regards to safety and security commodity and catering was given. Attendees were also assisted to register on the central supplier database (CSD) and the western cape government database. Information on registration on the municipal database was also supplied. As part of the business development and support to small businesses, awareness sessions and information session was also held with small businesses in collaboration with the Small Enterprise Development Agency (SEDA), followed by individual assessments of the status quo of their businesses and interventions to be actioned.

Emerging Farmer Support

In order to establish a support programme for small farmers, a database of small farmers have been compiled to determine the number of small farmers per town and the commodity which they focus on. Support to emerging farmers will be continued in the new financial year in collaboration with Department of Agriculture and Department Rural Development and Land Reform and the emerging farmers to collective establish a support programme to the emerging farmers. To date thirty emerging farmers have registered on the database.

Challenges pertaining to LED

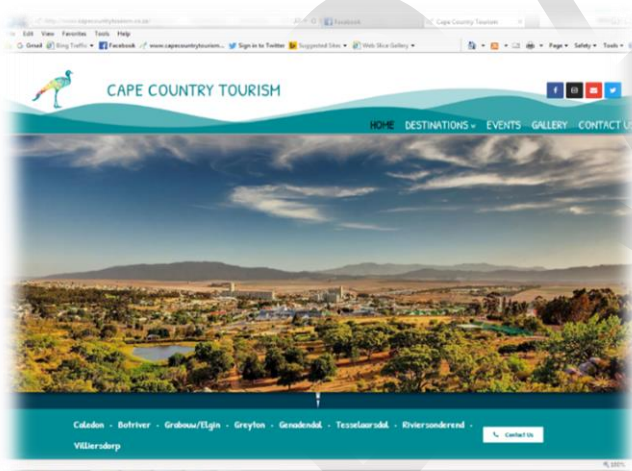
- ✚ Capacity challenges still remain a challenge to perform critical tasks.
- ✚ Limited access to updated economic data to inform programme planning and budgeting
- ✚ Limited or absence of synergies between municipal departments to harness potential of economic opportunities in the area.
- ✚ Red Tape in the organisation hampers the creation of the conducive environment for economic development

- ✚ Vandalism and protests hampers economic investment into the area
- ✚ The impact of external economic shocks and macroeconomic policies which hampers development at local municipal level

Gender Training and Awareness

- ✚ As per the departments business plan for 2018/2019 financial year gender training was identified as a priority focus area. A gender training session was conducted in collaboration with the Villiersdorp Resource Centre, the Commission for Gender Equality.
- ✚ In addition an awareness session was held focusing on health of women on farms. A youth engagement session was held in Grabouw with local youth. The workshop theme was economic opportunities and youth economic empowerment. The workshop was held in collaboration with the Department of Agriculture, Department of Labour, Department of Social Development, Cape Access, Yonke Services and Small Enterprise Finance Agency (SEFA).
- ✚ A Youth Economic Opportunity Workshop was also held in Villiersdorp in collaboration with the National Youth Development Agency [NYDA], Departments' of Agriculture and Health, Villiersdorp Youth Cade, Supply Chain Management and Imvusa.

TOURISM



Destination Marketing Initiatives for the 2018/2019 financial year

Digital / Social Media Marketing

As an online marketing tool, Social Media has become crucial to our digital marketing communication strategies, it helps to validate the Cape Country Tourism brand and delivers measurable results in sales, leads as well as the power to reach a large audience at low cost. Global digital population as of October 2018 is almost 4.2

billion people using internet and 3.4 billion people were social media users (Source: Statista) The Cape Country Tourism Facebook; Twitter and Instagram followers are steadily growing on a daily basis since creating of the platforms. The Facebook page became stagnant since 18 June 2018 but has gradually grew as of 08 November 2018. Twitter and Instagram is a new social media platforms. There was an increase from 1401 page likes to 1596, and Twitter followers being at 236. The page was created on the 12th of November 2018 and Instagram 130 followers Cape Country Social Media handles:

- Facebook page Twitter Handle Instagram Hashtag Cape Country Tourism @TourCapeCountry tourcapecountry
- #LoveCapeCountry #visitCapeCountry

Website (Cape Country Tourism website www.capecountrytourism.co.za)

The Cape Country Tourism website is LIVE and is in process to retrieve more content to populate the portal. We also envisage to have a page focussing on wine routes with social media pages embedded.



Tour Operator Educational in Genadendal and Greyton

As part of marketing Theewaterskloof as a tourist destination, a tour operator educational was facilitated with tour guides from Cape Town and operators to showcase the local tourism offerings for marketing purpose. Many towns within the Theewaterskloof Municipal area are visited by domestic tourists and international visitors, but not as an organised group (Tour Operators). The destination of choice was decided on the uniqueness of the area, but most importantly products which enhance the visitor experience.



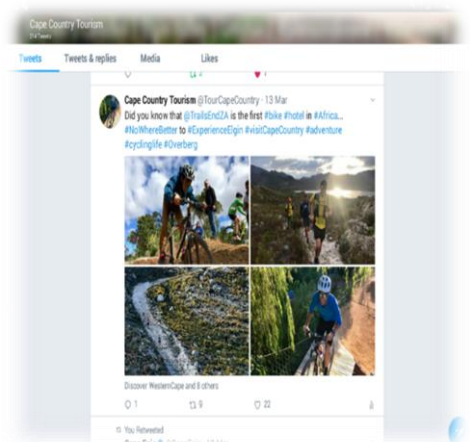
This was a collaborative initiative between Cape Country Tourism, Tourist Guide Family (social group), Genadendal Mission Station and Greyton Tourism. A total of 50 operators participated in the educational which focused on cultural activities. A historical church square tour and a visit to the museum was followed by a two hour hike to Greyton. This is all part of the establishing of new tourism package offering.

The "Greyton Uber" was a highlight of the day which provided transport by the locals back to town on a horse cart. We were treated by tourism product owners with refreshments and a warm welcome by the Greyton Tourism Association.



Brand Awareness

Brand awareness of the Cape Country Tourism Brand was promoted at the Trails End Bike Flow Trail Launch. The promotion of the Cape Country Route to attract more visitors to our area remains a key priority for tourism growth. All towns within the Theewaterskloof Municipal area have a unique identity and characterised by its own tourism offerings. To position the Elgin/ Grabouw area as an adventure destination, a marketing



collaboration was initiated between Cape Country Tourism (DMO) and Trails End Bike Hotel in February 2019 with the launch of the Flow Trail, a new cycling activity. This trail will boost the tourism product offerings in the area and will create other tourism opportunities for community based tourism packages in conjunction with established products.

The Cape Country Brand have received brand awareness through networking with tourism stakeholders, Women's Health Magazine and outdoor advertising. This initiative is part of our brand awareness campaign drive as it is important for visitors to connect with the area. As DMO, we have contributed financially in the form of catering to compliment the area's cool wines but also supporting the upcoming community cycling initiative. The latter refers to youth cycling empowerment. Trails End received 100 + bikes from the Bicycle Empowerment Network but also specialized bikes.

A brand awareness article was submitted and published on Tourism Update on in the January 2019 edition.



ABSA Cape Epic MTB Race

"The Absa Cape Epic is an exhilarating 8 day off-road mountain bike stage race that follows a challenging route through the beautiful landscape of the Western Cape. The race is considered to be the most televised of all time – having generated more than 16 000 hours of TV coverage across the world since its inception in 2004." – Absa Bank



The Cape Epic remains a highlight on all mountain bike enthusiasts calendar and Theewaterskloof Municipality was once again a proud sponsor of this prestigious event in our area. The Cape Epic attracts international cyclists, media, visitors and the marketing exposure in terms of monetary value our

region have received over the four days was tremendous. The basecamp for the Cape Epic was Oak Valley and the economic spin-offs was visible. Through Elgin/ Grabouw Tourism, Trails End Bike Hotel provided support and also a gazebo for the duration of the race. Our target market was to attract more adventure tourists focusing on outdoor activities complimenting the secondary attractions and tourism offerings of the Theewaterskloof Municipal Area. The Executive Mayor of Theewaterskloof set off the race gun at the starting point of day four (4). One thousand three hundreds riders participated in the race this year and the route changes every year.

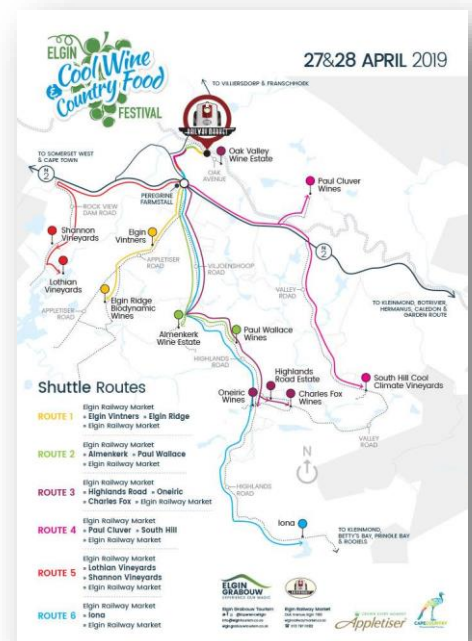
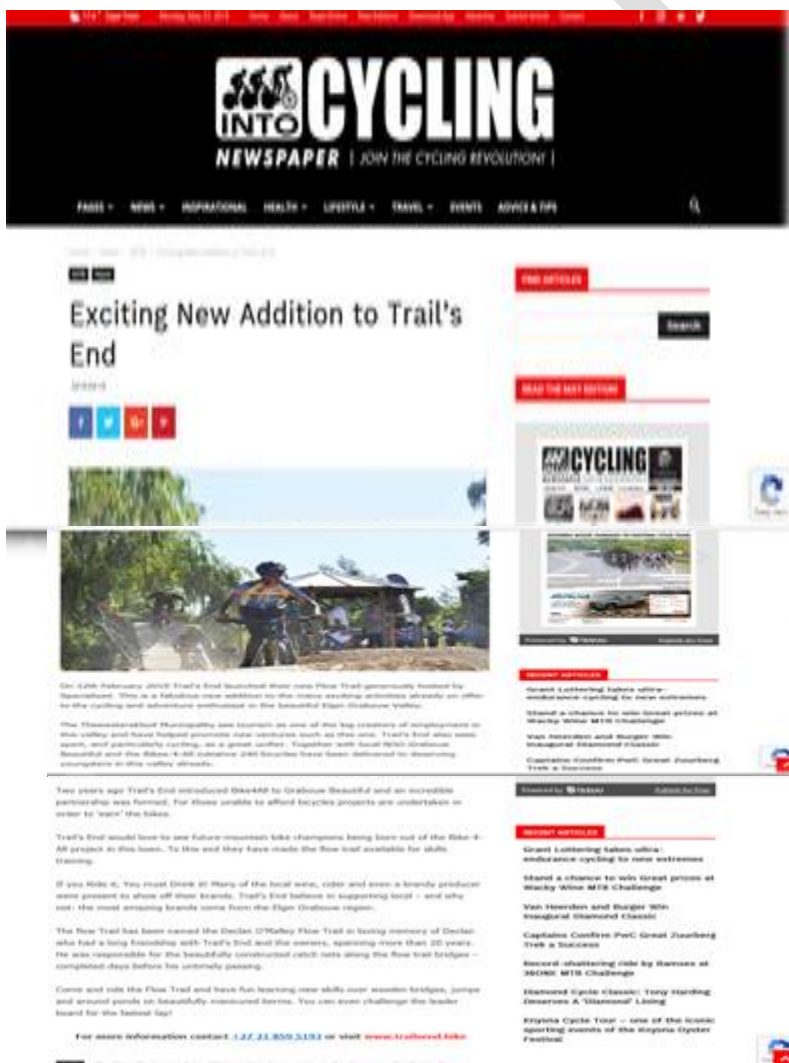


Executive Mayor Christelle Vosloo setting off the race on Day 4

Other Markting Initiatives

Newspaper article on Flow Trail Launch at Trails End Bike Hotel

Direct link <https://www.intocycling.co.za/exciting-new-addition-to-trails-end/>



See acknowledgement: "Theewaterskloof Municipality see tourism as one of the big creators of employment in this valley and have helped promote new venture such as this one"

Collaborated Brand Awareness at the Annual Elgin Cool Wine Festival – 27/28 April 2019



- ✚ Lack of trust and relationship between Municipality and tourism private stakeholders / roleplayers
- ✚ Lack of distinct brand differentiation to articulate Theewaterskloof unique tourism offerings
- ✚ Limited and no coherent support programme to establish and develop community tourism products to accelerate tourism transformation and expand the tourism offerings in Theewaterskloof.

Events Management 2018/2019

An Events policy that outlines guidelines for event organisers to hold events in the TWK area was developed in collaboration with the events task team, ODM and Overstrand Municipality. The policy was approved by Council on 23 February 2017. A total number of 85 event applications were processed and approved in the 2018/2019 financial year with a value of R 160 130.40. The event application process will be reviewed in the 2019/2020 financial year.

EPWP Job Creation Opportunities

The Expanded Public Works Program is a program designed in order to provide temporary work opportunities for the unemployed in order to make them more employable in the formal job market. Theewaterskloof Local Municipality obtains a conditional grant from the National Department of Public Works to implement EPWP and through municipal operational and capital budget tops up the grant.

The following table depicts the number of EPWP Projects and the number of jobs created through EPWP projects over the last three financial years.

Job creation through Expanded Public Works Programme (EPWP) Projects			
Financial Year	Conditional Grant Received	Job Opportunity targets set by	Number of job opportunities achieved
		National Department	through EPWP Projects (TWK)
2016/2017	R 1 104 000.00	428	444
2017/2018	R1 621 000.00	478	664
2018/2019	R1 451 000.00	502	684

Non – Performance [Key Performance Indicators not met in 2018/2019 FY]

Tourism Transformation Grant Programme

- That due to non-compliance of the LTO's and the projects identified, it was resolved that non-financial support to emerging and established tourism enterprises be provided i.e. accredited customer care training which is scheduled for August 2019, as a collaborative effort between the Municipality and the Provincial Department of Economic Development and Tourism in support of smme's in the tourism industry.
- Access to marketing through the municipal tourism website is also offered as a non-financial support to these enterprises.
- Support to smme's to compile business plans, registration of their businesses etc., will be provided through the Small Enterprise Development Agency [SEDA] as part of the collaborative agreement between the Municipality and SEDA.

Development Strategy

- In order to derive at a development strategy to ring fence municipal fund for development, it is advised the above factors i.e. development charges or the lack thereof, investment donations, investment incentives and investment SCM Chapter are considered and incorporated as part of the strategy which will enable the Municipality to position itself in terms of investment promotion and facilitation.
- Corrective measure that the IFSOP be revived in order to develop a practical development strategy.

3.11.2 JOBS CREATED BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)

No Records were kept of jobs created through these initiatives.

3.11.3 JOBS CREATED BY LED INITIATIVES

Job creation through Expanded Public Works Programme (EPWP) Projects			
Financial Year	Conditional Grant Received	Job Opportunity targets set by	Number of job opportunities achieved
		National Department	through EPWP Projects (TWK)
2016/2017	R 1 104 000.00	428	444
2017/2018	R1 621 000.00	478	664
2018/2019	R1 451 000.00	502	684

3.11.4 EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

Employees: Local Economic Development Services (LED)					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	0	0	0	-
10 - 12	2	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	3	2	2	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.11.8

3.11.5 FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT SERVICES

Financial Performance : Local Economic Development Services					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(396)	–	(70)	(5)	-92%
Expenditure:					
Employees	1,489	1,811	1,811	1,262	-30%
Repairs and Maintenance	–	–	–	–	-
Other	238	308	404	195	-52%
Total Operational Expenditure	1,726	2,118	2,215	1,457	-34%
Net Operational Expenditure	1,330	2,118	2,144	1,451	-32%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.

T3.11.9

COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY & SOCIAL SERVICES

Looking back at the year that passed provided an opportunity for reflection and stock take of interventions which have contributed towards the goal of:

Building communities where those who are marginalized and excluded are enabled to gain self-confidence, to join with others and to participate in actions to change their situation and tackle the problems that face their community.

Despite the formal Community Development Unit not yet established, much energy has been spent on setting the scene for effective community empowerment.

Strengthened civil society is a resilient society, able to withstand challenges and stresses brought by socio-economic realities challenges effecting us all.

We have been committed to empowering local communities, to strengthen the capacity of people as active citizens through community groups, organisations and networks, which at times took shape in a form of infrastructure projects, such as Resource Centre or Toy Library, but at times it meant engaging in dialog with public, private and non-governmental agencies collectively determining the new direction as desired by our communities.

Highlights of 2018/19:

Villiersdorp Resource Centre: with over 7000 people visiting the center since its opened, numerous training, advice and referral services have been provided to the residents of Villiersdorp. Home to the Youth Café where empowering the local youth is key.

With daily opportunities to learn, engage and play, access mentors and build networks, the Youth Café is the place to be.



Toy Library: offering educational support and 'play time' to the 15 local ECD centers, the Toy Library represents a safe space for young ones to play, learn and develop in a safe environment.



Grabouw Thusong Centre:

A galvanizing point for the entire community where programs ranging from Career Days to Substance Abuse Programs are taking place on regular basis.

Supported through intergovernmental partnerships and strong NGO base, the Thusong Centre has reached over 15000 visitors per annum.



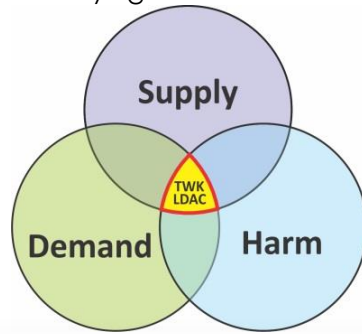
TWK Broad Local Drug Action Committee:

The TWK LDAC has been established in April 2019. The structure seeks to improve coordination and integration of activities aimed at combating substance abuse. It also resolves to promote partnerships amongst various departments and stakeholders involved in services and programmes aimed at combating substance abuse and mitigating its impact on individuals, families and communities. The TWK LDAC takes its guidance from the National Drug Master Plan and the over-arching support of the Western Cape Government.

The TWK LDAC sets out to strengthen and support member organizations and individuals who carry out functions related to addressing the problem of substance abuse.

The TWK LDAC will encourage and facilitate networking and the effective flow of information and data between members.

The TWK LDAC will assist the CDA in carrying out its functions as required at a provincial or local municipal level.



Villiersdorp Resource Centre



Described as an extraordinary project, not only its physical architectural manifestation, but also the process which it had to engage with to provide a solution in this harsh rural context of poverty and instability that contributes to the important discourse relating to socially relevant architecture.



The urban conceptual diagram explains the urban links that are important in this rural context. The identification of Buitenkant Street as a prominent pedestrian link between the town and the informal areas was a result of a Community Action Plan and a Public Investment Framework. This process not only informs the architect, but it empowers the residents to understand their context and be part of shaping it. The intervention provides not only physical building but a social structure as well.

The main building forms an urban edge which has a central opening allowing the sunlight to filter through. It also becomes the axis through which the children on the school playing field have a visual connection with the playing area of the project. The visibility and connection the building facilitates is important.



The urban intervention gives scale to a predominantly low-cost housing environment with single storey dwellings and informal structures. The building is robust with a plinth and metal clad top floors. Murals were done by the local community. The buildings' internal spaces are flooded by natural light and the spaces promote interaction between the user groups. The main philosophy was to address safety and security and the intervention does this well as it become a backdrop for social interaction and cohesion.⁹

⁹ Since completion, the building has received a CIFA award

3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

1. Caledon - Mzansi Online

The Mzansi Online is an initiative who aims to have the libraries as a hotspot for computer usage by the community. A total of ten computers were sponsored to the Caledon library and were attended by community members as well as the Mayor and Municipal Manager.

The provision of FREE access to these technology and service is widely appreciated by the community. Mzansi Online also assist the library staff to quick and efficient response to the evolving needs of the users.

2. Toy Library – Operational

The launch of the Toy Library in Villiersdorp at the beginning of 2019 indicates a huge impact on the community with a high level of enthusiasm, which is experiencing amongst the children that visits the play session.

3. Riviersonderend – Refurbishment

The upgrade of Riviersonderend library was done .The roof was repaired. The library was painted inside and outside. New computer stations; solid tables with seating benches; storage boxes and shelves were installed.

4. Villiersdorp – Friends of Libraries

The establishment of “Friends of the Library” at Villiersdorp has such a positive effect on the library. Some projects that was completed by the assistance of the Friends include the makeover of the library into a more interactive hub with dedicated space for development and learning.

New stock, extended programs and outreaches as well as other items has been made possible through the contribution of “The Friends”.

5. Tesselaarsdal – Friends of Libraries

At Tesselaarsdal Library, “The Friends” do most of the programs, which amongst others include programs for children of all ages as well as for the elderly. “The Friends” also do fundraising to buy the necessary equipment needed for programs. The library for the Blind was launched and users received Daisy players that allow them to listen to audio books.

6. Grabouw – Plans for Extension

The architect was appointed, building plans was submitted and we are waiting for approval.

7. Pineview Library – Vandalism

The Pineview library has become a constant target by burglars and thefts causing damage to the value of thousands of rands. In order to eliminate this risk, it was decided to move the Pineview library into the Thusong Centre where it will be safeguarded from this type of vandalism.

8. Oral History – Project

Oral History project roll out will take place in December.

The following towns will be part of this project: Caledon; Bereaville; Voorstekraal; Tesselaarsdal ; Riviersondernd; Genadendal and Greyton .

9. Genadendal – Library for the Blind

Genadendal was the third Library that collaborated with the National library. A computer for the visual impaired was installed at the library and Daisy players that allow users to take out audio books.

3.12.1 EMPLOYEES: LIBRARY SERVICES

Employees: Libraries					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	13	14	13	1	7%
7 - 9	6	7	6	1	14%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	-
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	22	24	22	2	8%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.55.4					

3.12.2 FINANCIAL PERFORMANCE: LIBRARIES

Financial Performance: Libraries					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(7,602)	(9,359)	(9,359)	(8,144)	-13%
Expenditure:					
Employees	5,802	5,455	5,565	5,207	-6%
Repairs and Maintenance	—	1700	817	542	-34%
Other	474	3245	3123	2151	-31%
Total Operational Expenditure	6,276	10,400	9,505	7,899	-17%
Net Operational Expenditure	(1,327)	1,041	147	(245)	-267%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget. T3.52.5					

3.12.3 CAPITAL EXPENDITURE: LIBRARIES SERVICES

Capital Expenditure: Libraries					
					R' 000
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	358	358	234	-35%	
Inventory Libraries	358	358	234	-35%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.52.6



Tesselaarsdal Library

3.12.4 COMMENT ON THE PERFORMANCE OF LIBRARIES SERVICES OVERALL

Libraries are an important force for local community development and empowerment and play a significant role in our communities.

- Provide free public access to computer and information resources
- Create better informed communities through accurate information
- Programs that promote lifelong learning and literacy in communities
- Connect communities' individuals and groups through collaboration
- Assistance with research and data collection
- Access to infrastructure, publicity and enhance the ability of Library and information services
- Innovation and critical thinking

3.13 CEMETORIES AND CREMATORIUMS

3.13.1 INTRODUCTION CEMETORIES AND CREMATORIUMS

Theewaterskloof consists of 8 towns and each town has its own cemetery. Some towns for example Grabouw and Caledon had an influx of people to an extent that the present cemeteries became saturated and new land needed to be identified for expansion. Caledon cemetery was extended to an overall extra 15 ha which should provide burial sites for the next 20 to 30 years. Many of the other cemeteries are becoming full and land is desperately needed for further burial sites.

Cemeteries are as follows:

- Caledon
- Riviersonderend
- Tesselaarsdal
- Botriver
- Grabouw
- Villiersdorp
- Greyton and Genadendal



3.13.2 FINANCIAL PERFORMANCE: CEMETORIES

Financial Performance: Cemeteries and Crematoriums					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(600)	(583)	(583)	(585)	0%
Expenditure:					
Employees	–	–	–	1	–
Repairs and Maintenance	226	427	352	290	0%
Other	26	191	189	98	-48%
Total Operational Expenditure	252	618	540	389	-28%
Net Operational Expenditure	(348)	35	(43)	(196)	361%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.55.5

3.13.3 COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIUMS OVERALL

Available burial spaces are becoming a challenge and certain cemeteries need to be expanded as soon as possible.

Variances due to the following:

- Expenses incurred in respect of cleaning of cemeteries with contractors
- Hiring of machines for digging graves

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

3.14.1 INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Social Development Programmes

Early Child Development

ECD forums is functional in Grabouw and Villiersdorp. The Villiersdorp ECD forum has been registered as an NGO in order to obtain funding to assist the ECD facilities that is affiliated to forum. A request was tabled by the Grabouw ECD forum for an ECD policy that will govern the industry in the Theewaterskloof area. Offering educational support and 'play time' to the 15 local ECD centers, the Toy Library represents a safe space for young ones to play, learn and develop in a safe environment.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

3.15.1 INTRODUCTION TO POLLUTION CONTROL

Pollution control/Air Quality function is being performed in line with Overberg District Municipality's approved Air Quality Management Plan. Theewaterskloof Municipality developed its air quality plan in conjunction with province. The plan has been approved by Council. Theewaterskloof Municipality have one official that is appointed as air quality official.

YOUTH AND ENVIRONMENTAL COORDINATOR

DEA did second a youth environmental coordinator to assist in pollution control, and is at present busy with a team of 22 people to attend to various pollution awareness programmes such as

- Youth education
- Environmental clean-up programmes
- Pollution control education
- Environmental awareness campaigns

Overberg District Municipality is the licensing authority in terms of NEM: AQA (Act No 39 of 2004) to issue Atmospheric Emission License for Listed Activities, which include the following:

- Review of the Atmospheric Emission licenses received from the Listed Activities Industries
- Investigating Air Quality related complaints within the Overberg District Region.
- Developing the Overberg District Municipality Air Quality by-law.
- ODM have an interim air quality officer for air quality function that is assisted by four officials, one from each sub district.

Overberg District Municipality also attends yearly Provincial Air Quality Officer's Forum.

Theewaterskloof Municipality Air Quality and pollution control office attend to the following areas:

- Water pollution under section 30
- Noise pollution
- Dust pollution
- Offensive odour pollution

➤ Emission control

These pollution control areas are dealt with in the Theewaterskloof as and when complains are officially logged although routine inspections are done.

The following pollution events occurred:

YEAR	EVENT	CASE	OUTCOME
2018	noise	Noise control of co(type of gas to keep the fruit cold in cold rooms) rooms	Case still pending An official case docket was open at Grabouw Police the case was investigated and taken to court outcome still awaits.
2018	Control of offensive odours	Elgin fruit juices	Case was investigated and mitigated and resolved
2018	Control of offensive odours	Botriver mushroom farm	Case was investigated and mitigated and resolved
2018	noise	Noise control at Kromco Grabouw	Case closed, an independent investigator monitored the sound level and was found to be in the sound ordinance specifications.

3.15.2 FINANCIAL PERFORMANCE: POLLUTION CONTROL

Financial Performance: Pollution Control					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	–	–	–	–	0%
Repairs and Maintenance	–	–	–	–	0%
Other	0	299	99	0	-100%
Total Operational Expenditure	0	299	99	0	-100%
Net Operational Expenditure	0	299	99	0	-100%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.59.5

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

3.16.1 INTRODUCTION TO BIO-DIVERSITY AND LANDSCAPE

Biodiversity is the protection of all biodiversity in and around Nature reserves and open spaces as well as all commonage land. The protection of Biodiversity is managed in conjunction with Cape Nature, NGO organisations and other governmental partners.

Biodiversity is protected under NEMA, NEMBA and the Biodiversity by law. All these laws are there to protect and preserve all living things and set out rules for engaging with the environment.

ALIEN ERADICATION PLAN

An alien eradication management plan was successfully completed in 2018 and approved by council and Provincial Environmental Department (DEADP)

3.16.2 COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL

A safe, healthy and sustainable managed environmental and natural resource base provides critical eco-system services that are a foundation for economic and social development. Biodiversity is managed and maintained by introducing an alien vegetation control plan, and corrective control methods are introduced to eradicate aliens and conserving indigenous biodiversity.

Theewaterskloof Municipality also protect all natural areas under its jurisdiction, including the following Nature reserves Greyton Nature reserve , Caledon Nature reserve and wild flower gardens, the Villiersdorp Nature reserve and other wilderness areas such as shaws Pass ; Riviersonderend natural areas.

TOWN	EVENT	YEAR
Caledon	Alien eradication in Bath River	2018
Caledon	Alien eradication in Caledon Nature reserve	2018
Middelton	Alien eradication on commonage	2018
Greyton	Alien eradication in Greyton Nature reserve and commonage	2018
Villiersdorp	Alien eradication in rivers and commonage	2018
All Towns	fire breaks and fire prevention	2018

COMPONENT F: HEALTH

3.17 CLINICS

Health services are managed by the Provincial Department of Health.

3.18 AMBULANCE SERVICES

Ambulance services are provided by the Overberg District Municipality.

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC.

The above mentioned services are provided by the Overberg District Municipality.

COMPONENT G: SECURITY AND SAFETY

This component includes: police, fire, disaster management, licensing and control of animals, and control of public nuisances, etc.

3.20 TRAFFIC

The Theewaterskloof Public Safety Department mission is:

To serve the community of Theewaterskloof by protecting life and property, preserving peace and safety, preventing crime and upholding the law in a manner which has regard for the public good and the rights of the individual.

	CHALLENGES	ACHIEVED	FOCUS AREAS
TRAFFIC SERVICES	Lack of resources; vehicles, equipment and human resources. No radio communication system. Inadequate budget provision. Service Protests preventing employees to attend work.	The integrated approach with other law enforcement agencies e.g. Provincial Traffic Authority, SAPS, etc. has been successful. Traffic Safety Education and Training at schools has contributed in educating the scholars. Enforcement of relevant Public Transport Legislation in regulating the MBT's (Mini Bus Taxi's) industry minimized conflict within the industry.	Focus for the past year has been: - The enforcement of Traffic - & relative Transport legislation; Integrated operations with Provincial Traffic Authority - Random breath testing of drivers with the "Electronic breathalyser testing." Traffic Safety Education and Training - safety awareness within the Theewaterskloof Local Municipal area.
REGISTRATION AND LICENSING SERVICE	Lack of resources; vehicles, equipment and human resources. Inadequate budget provision for the DLTC (Driving Licence Test Centre) in Grabouw. High volumes for driving license applications from people residing outside the Theewaterskloof Local Municipal area. Service Protests preventing employees to attend work.	Implementation of a new Brake Test Machine at the Caledon VTS (Vehicle Test Centre)	Focus for the past year has been: - Customer care and customer satisfaction. Efficient service delivery to customers Construction of the new DLTC (Driving Licence Test Centre) in Grabouw.
LAW ENFORCEMENT SERVICE	Lack of resources; vehicles, equipment and human resources. No radio communication system. Inadequate budget provision. Service Protests preventing employees to attend work. Land Invasion is out of	Sale of impounded animals after a lengthy legal process Drafting of an Operating Manual in Relation to Unlawful Occupation of Land Workshop held with all relevant departments within Theewaterskloof	Focus for the past year has been: - Unlawful Occupation of Land. Stray animals. Integrated operations with other Law Enforcement Agencies with regards to Illegal Shebeens and Taverns.

control due to legal processes.
Increase of stray animals due to the increase in the small farming industry.
Increase in Illegal Shebeens and Taverns in the informal settlements
Illegal electrical connections within the informal settlements.

Local Municipality and SAPS to determine their roles and responsibilities in terms of the Operating Manual in Relation to Unlawful Occupation of Land

The Following are performed as Core Functions :

- ❖ Maintain the free-flow of traffic
- ❖ The enforcement of Traffic - & relative Transport legislation
- ❖ Traffic Safety Education and Training
- ❖ Attend to RTC's (Road Traffic Crashes)
- ❖ Escort duties
- ❖ Point duty
- ❖ Scholar training/ patrol
- ❖ Speed monitoring
- ❖ Management of Public Transport Pound
- ❖ Serving of Warrant of Arrests
- ❖ Testing of Drivers licenses
- ❖ Issuing of learners/drivers licenses
- ❖ Issuing of Operating Licenses/ Public Transport
- ❖ Registration of motor vehicles
- ❖ Registration of drivers licenses
- ❖ Testing of all vehicles for roadworthy
- ❖ Managing Natis system
- ❖ Attending to Clerk of the Court duties
- ❖ Preparing Court Rolls
- ❖ Enforcement of Council By-Laws
- ❖ Monitor and control of Illegal Land Invasion
- ❖ Animal control & Impoundment of stray animals
- ❖ Management of Animal Pound
- ❖ Road markings/signs
- ❖ eMIS Complaint System



3.20.1 EMPLOYEES: TRAFFIC OFFICERS

Employees: Traffic (Public Safety)					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	4	4	0	0.00%
4 - 6	15	12	11	1	8.33%
7 - 9	39	44	39	5	11.36%
10 - 12	13	14	13	1	7.14%
13 - 15	3	4	3	1	25.00%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	75	78	70	8	10.26%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T3.60.4</p>					



3.20.2 FINANCIAL PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

Financial Performance : Traffic and Law Enforcement					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(48,278)	(32,261)	(50,392)	(38,658)	-23%
Expenditure:					
Employees	17,169	21,267	21,267	17,755	-17%
Repairs and Maintenance	412	1398	1024	620	-39%
Other	42,757	29,951	48,892	34,486	-29%
Total Operational Expenditure	60,337	52,615	71,182	52,860	-26%
Net Operational Expenditure	12,060	20,354	20,790	14,202	-32%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.65.5

3.21 DISASTER MANAGEMENT

3.21.1 INTRODUCTION TO DISASTER MANAGEMENT

Responding and minimising the impact of disasters is the core function of the Disaster Management Centre. The Overberg District Municipality is responsible for providing this service to the entire Overberg region.

Our local Disaster Management aims to:

- Prevent or reduce the risk of disasters;
- Mitigate the severity or consequences of disasters;
- Emergency preparedness;
- Rapidly and effectively respond to disasters;
- Provide for Post-disaster recovery and rehabilitation.

Disaster Management is to provide blankets, food and shelter during disaster incidents in mostly informal structural areas. Preventative mitigation measures are also done by managing and maintaining rivers and other natural areas to prevent disaster events as far as possible. Disaster management performed well within its limitations and budget restraints.

DISASTER RISK PLAN

A Disaster risk plan was completed in 2018 in conjunction with Provincial Disaster Department, this document was successfully incorporated into the Municipal Disaster plan and approved by council.

Contact the Centre for more information or any queries:

3.21.2 EMPLOYEES: DISASTER MANAGEMENT

Employees: Disaster Management					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	0	0	0	-
10 - 12	0	0	0	0	-
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	1	1	1	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.67.4

3.21.3 FINANCIAL PERFORMANCE: DISASTER MANAGEMENT

Financial Performance: Disaster Management					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Fire fighters	1751	1960	1960	1704	0%
Other employees	–	–	–	2	0%
Repairs and Maintenance	543	735	414	386	-7%
Other	37	70	451	269	-40%
Total Operational Expenditure	2331	2765	2825	2361	-16%
Net Operational Expenditure	2331	2765	2825	2361	-16%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.

T3.66.5

3.21.4 FINANCIAL PERFORMANCE: ANIMAL LICENCING AND CONTROL

Financial Performance : Animal Control					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	-	-	–	0%
Expenditure:					
Employees	-	-	-	-	0%
Repairs and Maintenance	–	72	72	4	-95%
Other	274	402	402	193	-52%
Total Operational Expenditure	274	474	474	197	-59%
Net Operational Expenditure	274	474	474	197	-59%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.67.5

COMPONENT H: SPORT AND RECREATION

This component includes: community parks, sports fields, sports halls, stadiums, swimming pools, and camp sites.

3.22 SPORT AND RECREATION

3.22.1 SERVICE STATISTICS FOR SPORT AND RECREATION

One of the Key Objectives of TWK Council is to improve the Social Fabric of the community and sport is identified as the catalyst that will enhance community's value. Unfortunately with the lack of financial capacity it will be impossible to assist our community without sponsorship from external donors such as Department Cultural Affairs and Sport (DCAS).

The following projects were managed in the different towns as part of the municipality's contribution to our sport community:

1. Better Together Games

The Better Together Games is an initiative by the Department Cultural Affairs and Sport (DCAS) whereby Municipalities and other Government Departments get the opportunity to meet and interact through different sport codes.

Theewaterskloof was requested to host this event in 2018 at Caledon and more than 600 participants from other municipalities as well as Government departments turned up on the 05 October 2018 at the Caledon Sport Grounds.



2. Greyton – Tennis Facility

The Department Cultural Affairs and Sport (DCAS) made the amount of R401 000 (four hundred and one thousand rand) available for the upgrading of the Greyton Tennis facility. It was decided to upgrade this into a multi-purpose tennis and netball court with spotlights as well as painting of the ablution facility. The project is now completed and available for use by the community which include the youth.

3. Botriver – Partnership with Botriver Education Foundation

The Botriver Education Foundation is a project which was started by the local community of Botriver with the aim to raise funding for the students who excels in mathematics and science.

4. Grabouw – Support of SAFCOL and Grabouw Rugby Clubs

Each year Grabouw Rugby Club, SAFCOL Rugby Club, Grabouw Cricket Club as well as the Social Golf Club holds a fund raising event in order to improve their financial capacity. Theewaterskloof Municipality supported this project as it is critical for these clubs to be sustainable which has a positive impact on the social fabric of our community.

5. Applications for Funding

The following funding applications were submitted to Sport and Recreation South Africa (SRSA):

5.1 Upgrading of Myddleton mini-Sport Grounds:

The Myddleton mini-sportground has to be upgraded to a full size facility as the sport in this town has developed significantly. The application therefore entails ablution facility, fencing, lights as well as upgrading of the playing surface.

5.2 Lights at the Villiersdorp Sport Grounds:

The Villiersdorp Sport grounds has sport facilities for the following codes namely, rugby, soccer and netball. The neighbouring schools are also making use of this facility hence it is important to have proper lights at the grounds.

5.2 Upgrading of the Pineview Park Sport Grounds:

The Pineview Park Sport Grounds is mainly use by the two rugby clubs, cricket club as well as the netball club. Unfortunately this facility cannot be used in wet season due to poor drainage hence the clubs have to rent the Grabouw High School facility which tap into their finance.

In order to address this situation at Pineview Park a formal application has been submitted to SRSA for a complete upgrading of this facility.

6. Sport Sector Plan:

Sports programmes are recognised as a vital tool for social development for all citizens, especially young people therefore a Sport Sector Plan for Theewaterskloof Municipality has been drafted and was accepted by Council.

3.22.2 EMPLOYEES: SPORT

Employees: Sport					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	0	0	0	-
10 - 12	0	0	0	0	-
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	1	1	1	0	0%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
T3.68.3					

3.22.3 FINANCIAL PERFORMANCE: SPORT AND RECREATION

Financial Performance: Sport and Recreation					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(77)	(443)	(443)	(429)	-3%
Expenditure:					
Employees	–	–	–	–	0%
Repairs and Maintenance	,438	1,077	1,022	,995	-3%
Other	150	602	545	180	-67%
Total Operational Expenditure	,588	1,680	1,567	1,175	-25%
Net Operational Expenditure	,511	1,236	1,124	,746	-34%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					
T3.68.4					

3.22.4 CAPITAL EXPENDITURE: SPORT AND RECREATION

Capital Expenditure : Sport and Recreation					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1,600	1,600	,826	-48%	
New Sport Facility Phase I	–	–	–	-	
Capital Upgrading of Pineview sports ground	1,600	1,600	826	-48%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
T3.68.5					

3.22.5 COMMENT ON SPORT AND RECREATION SERVICE PERFORMANCE OVERALL

R600 was rolled over to next financial year. Rest of the budget is an committed order which was issued. The contractor will finish work before 15th July 2019 - delay was due to theft of installed equipment, Lights and security beam will be installed to deter theft of equipment.

3.22.6 EMPLOYEES: RECREATION

Employees: Parks (Botanical Gardens)					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	11	11	11	0	0%
4 - 6	23	25	24	1	4%
7 - 9	3	3	3	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	-
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	38	40	39	1	3%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
T3.62.4					



COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.23 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councillors; and municipal manager).

3.23.1 EMPLOYEES: EXECUTIVE AND COUNCIL AND INTERNAL AUDITING

Employees: The Executive (Top Management)					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
SEC 56	4	4	3	1	25%
Total	4	4	3	1	25%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					

Employees: Internal Audit					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	0	0	0	-
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	-
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	-
Total	3	3	3	0	0%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
T3.59.4					

3.23.2 FINANCIAL PERFORMANCE: EXECUTIVE AND COUNCIL

Financial Performance : The Executive and Council					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(84)	(130)	(38)	(37)	-1%
Expenditure:					
Employee Related Cost	2,592	2,066	2,066	2,235	8%
Remuneration of Councillors	11,539	12,179	12,179	11,707	
Repairs and Maintenance	25	25	53	29	-45%
Other	1,350	1,613	1,378	2,848	107%
Total Operational Expenditure	15,506	15,884	15,676	16,819	7%
Net Operational Expenditure	15,421	15,754	15,638	16,781	7%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					
T3.69.5					

3.24 FINANCIAL SERVICES

3.24.1 INTRODUCTION TO FINANCIAL SERVICES

The application of sound financial management principles is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The key objective of the Municipal Finance Management Act (2003) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services. Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensure that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

Financial Sustainability still remains a challenge to the Municipality and is a key objective which is difficult to achieve given the economic conditions globally, nationally and provincially. It was again the subject and focus area of the latest strategic planning session of the Municipality. ***The Municipality was rated by National Treasury as financially viable over the short to medium term (based on the 2017/18 audited financial statements)*** and the financial position of the Municipality has improved during the year under review.

The purpose and overall objective of the directorate is to implement sound and transparent financial management to improve efficiency and delivery. The directorate remains committed towards establishing an effective financial administration in compliance with relevant legislation.

Mission

The Finance Directorate is committed to the objective of improving the quality of the lives of local citizens of Theewaterskloof Municipality and ensures good governance by:

- Providing a support and advisory service to the Accounting Officer, Senior Managers, Council and Service Delivery Directorates on Financial matters, MFMA compliance and Financial Reforms.
- To create an enabling environment for effective, efficient and economic service delivery.
- Ensuring that the municipality maintains Financial Sustainability and Financial Health.
- Ensure good customer service.
- Ensure Financial Risk Management to safeguard council's financial resources.
- Regular, accurate, relevant and meaningful reporting to foster accountability, transparency and improved decision-making.
- Setting and maintaining high standards in financial management and best practices.
- Improved Accounting and Financial Management Services.
- Establishing capacity including systems to improve costing as a tool to improve affordability and sustainability of services.
- Ensure that a long term financial plan is adopted to provide a roadmap towards sustainable service delivery against the backdrop of the current financial realities.

Core Functions

Finance Directorate is not a direct service delivery directorate but provides a support service and assist in creating an enabling environment for effective, efficient and economic service delivery.

Expenditure and Supply Chain Management

This section is responsible for the following functions:

- Salaries: Implementation of approved payroll, payment of salaries, allowances, statutory deductions, IRP5 certificates and accounting for payroll implementation.
- Creditors: Payment within 30 days and recording of creditors' payments and reconciliations. It is also responsible for Bank Reconciliations, Investments and Loans Management.
- Supply Chain Management: Responsible for procurement of goods and services according to Supply Chain Management Policy and Regulations including logistics, disposal and performance management. Ensure that the principles of fair, transparent, equitable, competitive and cost-effective procurement are adhered to.

Revenue Section

This section is responsible for administration of Revenue and Council's Debtors which includes, inter alia, the following core functions:

- Facilitate application and termination of municipal services
- Debtors Database Update
- Billing of Debtors on financial system
- Processing of meter readings
- Rendering of monthly consumer/rates debtors accounts.
- Receipting, Banking and Reconciliation of monies collected
- Debt Collection and Indigent Management.
- Issuing of Clearance Certificates
- Meter readings (automated and manual)
- Cashier services
- Debtor enquiries and customer care
- Debt management and counselling
- Credit control
- Connection and disconnection of services
- Restriction and suspension of services

Budget Office

This section is responsible for the following functions:

- Budgeting and implementation of Budget Reforms
- In-year Reporting (Section 71 and Other Statutory Reports)
- Budgetary Management and Control
- Costing Services
- Co-ordinate Financial Policy Formulation
- Annual Financial Statements

Asset and Insurance Department

This section is responsible for the following functions:

- Asset Management
- Insurance Management

3.24.2 FINANCIAL SERVICES: CHALLENGES

The biggest challenge within the financial section remains the functioning and results of the Revenue Section which is critical to financial sustainability and consequently it is the area that we should be focussing on.

The restructuring of the revenue section was completed during the year with office space posing a challenge to the effective implementation of the restructuring. In addition, the required system development to enable the section to perform credit control and debt collection is in process and it is envisaged that this will be completed by end of November 2019.

The problem is that expectations and frustrations of the poorest of the poor are escalating by the day and the municipality is simply not able to respond due to lack of funding. The wider the gap between expectations and institutional capacity the bigger the risk of service protests. It is the responsibility of all to manage expectations down to a realistic and affordable level. Obviously every attempt should also be made to manage the institutional capacity up in response to narrowing the gap between expectation and capacity.

The backlogs in infrastructure put further pressure on municipal finances. The inability of the municipality to spend in non-grant funded areas due to lack of reserves are causing frustration in paying community and could negatively affect their willingness to pay. The uncertainty surrounding the sustainability of future grant funding, central government's fiscal model, low revenue base, unemployment and the community's ability/willingness to pay for services as well as the uncontrolled influx of unemployed, unskilled and homeless people into the municipal area are factors all of which have a negative impact on the financial health of the municipality.

Although the financial health of the municipality has improved considerably over the last few years, the current financial health as reflected in various ratios indicates an inherent risk to service delivery sustainability and should these risk not be mitigated or eliminated a breakdown in service delivery could become a reality.

3.24.3 EMPLOYEES: FINANCIAL SERVICES

Employees: Financial Services					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	29	32	29	3	9%
7 - 9	22	28	27	1	4%
10 - 12	16	14	14	0	0%
13 - 15	7	9	7	2	22%
16 - 18	1	2	2	0	0%
19 - 20					0
Total	75	85	79	6	7%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					

T3.70.4

3.24.4 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

Financial Performance: Financial Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(87,497)	(84,894)	(95,688)	(86,598)	-9%
Expenditure:					
Employees	18,917	23,135	23,131	26,236	13%
Repairs and Maintenance	,602	,706	,638	,233	-63%
Other	18,612	13,910	13,982	18,854	35%
Total Operational Expenditure	38,131	37,751	43,418	45,323	4%
Net Operational Expenditure	(49,366)	(47,143)	(52,270)	(41,275)	-5%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.70.5

3.24.5 CAPITAL EXPENDITURE: FINANCIAL SERVICES

Capital Expenditure : Financial Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	21	20	-7%	
Inventory Items Finance	–	21	20	-7%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.70.6

Debt Recovery			
R' 000			
Details of the types of account raised and recovered			
	Billed in year	Payment	Percentage Collection
Rates	101,760	100,520	99%
Service Charges	240,117	189,973	79%
Total	341,876	290,493	85%
			T3.70.2

3.24.6 ASSESSMENT OF ARREARS ON MUNICIPAL SERVICES AND PROPERTY RATES

Management of consumer debtors is one of the most important functions and a prerequisite for financial sustainability. The older the debt, the more difficult it becomes to collect the debt. It is therefore imperative and critical that effective credit control measures be taken against defaulting consumers as soon as an account falls into arrears. An analysis of the outstanding debt as at 30 June 2019 has revealed the following:

The gross outstanding consumer debtors' balance as at 30 June 2019, reflect a total amount of R216, 5 million representing an increase of 12, 5 when compared to the outstanding balance of R191, 8 million as at 30 June 2018.

Despite all the challenges such as high unemployment and poverty, an extremely high indigent population, the Genadendal transformation issue which remains unresolved and an obstacle for debt collection and credit control and the lack of an effective credit control mechanism in Grabouw, Tesselaarsdal, Genadendal and Botrivier, it is incumbent upon us to develop strategies and innovative approach to credit control and debt collection to improve the ratio to at least 90%. The 2018/19 financial year was a huge challenge due to the implementation of mSCOA and the absence of a credit control and debt collection system. Credit control was implemented with manual processing which comes with many challenges.

The measures that will be taken during 2019/20 to try and improve revenue collection are as follows:

- ❖ Continue the installation of water demand management devices as a credit control mechanism in especially Grabouw, Tesselaarsdal, Genadendal and Botrivier.
- ❖ Test prepaid water management devices for future roll out.
- ❖ Rollout a fully functional credit control and debt collection system
- ❖ Continue the implementation of the Revenue Enhancement Strategy which consist of developing incentives as a method to transform debt collection function into a rehabilitative rather than a punitive action. In addition, the newly created community development function will be utilized to rehabilitate defaulters.
- ❖ Develop a public relations and marketing campaign for sustainable revenue enhancement.
- ❖ Research the possibility and functionality of incentives for loyal paying customers.
- ❖ Continue discussions and engagements to resolve the Genadendal transformation issue.
- ❖ Undertake a meter replacement programme in Genadendal to facilitate credit control.
- ❖ Continue to lobby SALGA and CoGTA to amend legislation and to introduce new enabling legislation that will support debt collection efforts.
- ❖ Continue discussions and engagements with SALGA to enter into service delivery agreements with Eskom in areas where Eskom is providing electricity.
- ❖ Explore the use of technology to ensure timeous delivery of consumer accounts.

3.25 HUMAN RESOURCE SERVICES

The Human Resources Department of Theewaterskloof municipality which is at the heart of the municipality provides human resource management programs and services, aligned with the municipality's strategy, values of integrity, excellence and wellness; and consistent with Council and regulatory requirements, to enable the municipality to meet its strategic and service goals by: Promoting excellence in human resource management and providing leadership in the implementation of the municipality's strategy, Providing a proactive human resource advisory, information and service function to the line departments, Providing information to Council and the organization to support human resource decision making, and supporting employment related legislative compliance.

The following represents the organizational structure of the Human Resources department:

- HR Strategy
- Labour Relations / IR
- Health & Safety
- Risk Management
- Benefits & HR Administration
- Staffing & Workforce Planning
- Training and Development
- Organizational Development
- Employee Assistance and
- Individual Performance Management

The HR department use the following pillars as a basis:

-Employee Wellness

Where employees are assisted in balancing their career, home and personal life through supportive human resource policies and management approaches.

-A Learning Organisation

Establish a commitment to align career development practices with employee's personal goals and existing corporate objectives.

-Leadership

Develop leaders within all levels of the organization who will share enthusiasm, a sense of purpose and direction, and reflect the values of the organisation.

-Service excellence

Providing business and service excellence by revisiting our business objectives, effectively using technology, ensuring staff are well trained, effectively managing change and objectively measuring performance for continuous improvement.

3.25.1 EMPLOYEES: HUMAN RESOURCE SERVICES

Employees: Human Resource Services					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0
10 - 12	4	3	3	0	0%
13 - 15	2	2	2	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0
Total	8	7	7	0	0%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
T3.71.4					

3.25.2 FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES

Financial Performance: Human Resource Services					
R'000					
Details	Year 2017/18	Year 2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(678)	(500)	(250)	(497)	99%
Expenditure:					
Employees	4,475	3,894	3,894	3,923	1%
Repairs and Maintenance	–	–	–	–	–
Other	4,461	7,180	7,180	6,596	-8%
Total Operational Expenditure	8,936	11,073	11,073	10,520	-5%
Net Operational Expenditure	8,258	10,573	10,823	10,023	-3%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					
T3.71.5					

3.26 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services

3.26.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The vision of the ICT division is to ensure that ICT provides the guidance for the successful implementation of the Municipal Corporate Governance of ICT. To create an environment

where the use of technology is directed and controlled, where processes and procedures ensure compliance and where the ICT environment is based on a set of international standards and principles.

ICT is not just about technology – it's about the ways in which information and technology are used to deliver better services and enhance trust and confidence. Our mission is to excel in the fulfilment of our duties toward the mandate of service delivery, by providing exceptional ICT services.

The ICT division drafted a 5 Year Strategic plan which focus on the 11 strategic objectives of the Council as determined through the IDP processes. The aim of the strategy is use technology as an enabler of the business. We strive to use technology to, not only, enhance municipal services, but also to close the digital divide and leveraging the benefits of technologies. At its core the ICT 5 Year Strategy is to create a platform and infrastructure that would bring benefit to the communities at various levels, whether it be enhancing community safety or through technology platforms that bring opportunities to SMME's.

With the worldwide increase of ICT security threats, the municipal ICT division is constantly under an obligation to increase restrictive security measures. Whilst increasing our security we still have to balance such restrictions with operational requirements of internal staff, as well as considering public service delivery. This latter creates a grey area that is prone to security risks. ICT security has become the number one risk within the division and a constant effort is made to keep abreast with the technological changes that affect ICT security that can negatively impact service delivery or result in legal complications.

The ICT division was also a key role-player in the ongoing "Project Paperless" implemented and supported by the Council. During the first phase, all councillors received laptops. Our goal to become a paperless municipality and processes are now being implemented by various divisions towards this goal.

As a support function, the ICT division have become more involved in decision-making processes of the municipal administration. The municipal ICT Steering Committee (ICTSC) is the formal committee of Council who has council authority to make decisions with regards to the municipal ICT governance. The ICTSC is chaired by the Municipal Manger and the committee includes councillors, internal audit and other role-players.

The goal of the municipal ICT division is be an enabler of the business in order to give effect to the municipal mandate to provide services to its communities and this we try to achieve by researching and using the latest technologies.

3.26.2 EMPLOYEES: ICT SERVICES

Employees: ICT Services					
Job Level	2017/2018	YEAR 2018 / 2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	3	4	3	1	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	4	5	4	1	20%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.72.4



3.26.3 FINANCIAL PERFORMANCE: ICT SERVICES

Financial Performance: ICT Services					
					R'000
Details	Year 2017/18	Year 2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	—	—	—	—	0%
Expenditure:					
Employees	1908	2395	2070	1839	-11%
Repairs and Maintenance	—	—	—	—	0%
Other	6,286	4,595	5,380	5,147	-4%
Total Operational Expenditure	8,194	6,990	7,450	6,986	-6%
Net Operational Expenditure	8,194	6,990	7,450	6,986	-6%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.

T3.72.5

3.26.4 CAPITAL EXPENDITURE: ICT SERVICES

Capital Expenditure Year 2017/18: ICT Services					
R' 000					
Capital Projects	Year 2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1636	1636	2194	25%	
Project A:	–	–	–	–	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.72.6

3.27 PROPERTY MANAGEMENT

3.27.1 PROPERTY MANAGEMENT: CHALLENGES/ ACHIEVEMENTS

Challenges

- The rapid declining national economy is still one of the biggest challenges as this effects the Municipal income obtained through leases and sales.
- Developers are less interested in investing in property, which results into no offers or poor offers made when selling properties to the public.
- The strict criteria set by the banks for obtaining bonds results into not having enough bank credible buyers to buy and develop available properties.
- The backlog in the provision of bulk services in all of the towns restricts development.
- The high cost of construction and infrastructure still remains a big factor.
- The provision of affordable housing within the household income R3501 to R22 000 in the Theewaterskloof area urgently needs to be addressed.

Achievements

- Land was bought in Botrivier for a housing development and much needed housing opportunities.
- Land was made available to a non-profit organisation for the construction and utilization of a recycling plant in Botrivier. This plant aids in keeping Botrivier clean.
- A parking area was sold to a developer for the construction of a big supermarket within Grabouw which will serve the community as well as help develop the economy.
- A Guideline was adopted to give assistance to household incomes within the R3501 – R22 000 bracket. More affordable Properties will be made available to this income category to aid them with much needed housing.

- The development of the Venster property adjacent to the Caledon Nature Garden and N2 is earmarked for the development of tourism related businesses that will help develop the economy of the region as well as create job opportunities. An extensive feasibility study with public participation was done to determine the possible types of activities that can be accommodated. Potential developers will be able to lease the said property for development for a period of 30 years with an option for another period.
- The development of a private hospital in Caledon is currently in the planning process. The hospital will aid in unlocking the development of retirement villages as well as the provision of specialised medical services to the area.
- The 1st Phase of Extension 12 in Caledon where 112 walk-up sectional title residential units as well as 97 town houses will be established is in construction. The bulk and individual plots have been serviced. This development will provide much needed housing and give first home owners the opportunity to enter into the market as well as pensioners who wants to scale down to smaller properties.
- The development of 73 Industrial properties in Caledon is currently in the planning process. New businesses will be established over the next 10 to 20 years where much needed job opportunities will be created and make a big contribution to the economy of the area.
- A property in Grabouw was made available for the construction of a church. The property was made available via a tender process and sold to a local congregation.

3.27.2 EMPLOYEES PROPERTY MANAGEMENT AND VALUATIONS

Employees: Property Management					
Job Level	2017/2018	YEAR 2018 / 2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	1	1	1	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	3	3	3	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T3.73.4</p>					

Employees: Valuations					
Job Level	2017/2018	YEAR 2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	0	0	0	-
10 - 12	0	0	0	0	-
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T3.56.4

3.27.3 FINANCIAL PERFORMANCE: PROPERTY MANAGEMENT

Financial Performance : Property Services					
					R'000
Details	Year 2017/18	Year 2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(1,764)	(2,079)	(2,079)	(6,278)	202%
Expenditure:					
Employees	2,001	2,560	2,560	2,289	11%
Repairs and Maintenance	,616	1,651	1,418	,996	30%
Other	1,628	6,908	6,879	1,446	79%
Total Operational Expenditure	4,246	11,119	10,857	4,731	56%
Net Operational Expenditure	2,482	9,040	8,778	(1,547)	15%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.73.5

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)



As municipal employees, we ascribe to the values as underpinned by Batho Pele, a Sesotho word which means “People First”. This initiative was launched in 1997 to transform the Public Service at all levels. Batho Pele was launched because post 1994 South Africa inherited a public service that was not people-friendly and lacked the skills and attitudes to meet the developmental challenges facing the country. Batho Pele is based on the following eight principles:

- **Consultation:** citizens should be consulted about their needs
- **Standards:** all citizens should know what service to expect
- **Redress:** all citizens should be offered an apology and solution when standards are not met
- **Access:** all citizens should have equal access to services
- **Courtesy:** all citizens should be treated courteously
- **Information:** all citizens are entitled to full, accurate information
- **Openness and transparency:** all citizens should know how decisions are made and departments are run
- **Value for money:** all services provided should offer value for money

The municipality currently has a staff component of 636 staff members who are responsible for ensuring effective service delivery to the community and collectively contribute towards the achievement of the municipality's strategic objectives.

The Human Resource Management department has as its main aim to ensure competent staff is recruited as well as the development of current staff members and the unemployed youth

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

4.1.1 EMPLOYEES

Employees					
Description	Year 2017/2018	Year 2018 /2019 as at 30 June			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water and Sewerage Networks	51	43	42	1	2%
Sanitation Services (Water and Sewerage Purification)	58	61	58	3	5%
Electricity	19	21	21	0	0%
Solid Waste Management Services	92	95	95	0	0%
Human Settlements (Including Informal Settlements)	12	13	12	1	8%
Roads Services	91	91	88	3	3%
Planning Services (Building Control)	11	12	12	0	0%
Local Economic Development	2	2	0	0	-
IDP	2	3	3	0	0%
Libraries	25	24	22	2	9%
Valuations	1	1	1	0	0%
Internal Audit	3	3	3	0	0%
Public Safety (Traffic)	85	78	70	8	11%
Parks (Including Botanical Gardens)	41	40	39	1	3%
Administration	67	73	72	1	1%
Disaster Management	1	1	1	0	0%
Sport and Recreation	1	1	1	0	0%
The Executive (Top Management)	4	4	3	1	33%
ICT Services	5	5	4	1	25%
Financial Services	80	85	79	6	8%
Property Management	3	3	3	0	0%
Human Resources	7	7	7	0	0%
Totals	661	666	636¹⁰	28	4 %

¹⁰ Only Permanent employees as at 30 June 2019 (excluding temporary workers)

4.1.2 VACANCY RATE: YEAR 2018/19

Vacancy Rate: Year 2018/19			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	2	2	100.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Traffic & Law Enforcement	39	4	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	21	1	4.76
Senior management: Levels 13-15 (Finance posts)	7	1	14.29
Highly skilled supervision: levels 9-12 (excluding Finance posts)	64	3	4.69
Highly skilled supervision: levels 9-12 (Finance posts)	15	0	0.00
Total	150	11	7.33
<p><i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T4.1.2</p>			

4.1.3 TURN-OVER RATE: YEAR 2018/19

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year (including promotions)	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2015/16	608	45	7.40%
2016/17	661	22	3.57%
2017/18	636	28	4.40%
2018/19	641	44	6.86%
<p><i>* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year</i></p> <p style="text-align: right;">T4.1.3</p>			

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 MANAGING THE MUNICIPAL WORKFORCE

4.2.1 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipal Systems Act, S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The Human Resource division comprises of the following sections namely: HR Administration, Labour Relations, Recruitment & selection, Training and development, OH&S and Risk Management as well as Organisational Development and Employee Assistance

4.2.2 HUMAN RESOURCE POLICIES AND PLANS

HR Policies and Plans			
	Name of Policy	Completed %	Reviewed % Date adopted by council or comment on failure to adopt
1	Employment Equity Policy	100%	15-Sep-11
2	Medical Assistance for Former Emp	100%	5-May-11
3	EAP Policy	100%	1-Jun-12
4	HIV/Aids Policy	100%	30-Mar-13
5	Leave Policy	100%	1-Apr-13
6	Payment of Travel and Subsistence	100%	23-Jun-16
7	Employment Practice Policy	100%	Policy was reviewed by Council on 30 November 2017 (C222/2017)
8	Induction Policy	100%	7-Aug-12
9	Policy Use of Protective Equipment	100%	14-Jan-10
10	Sexual Harassment Policy	100%	1-Sep-11
11	Smoking Policy	100%	26-May-08
12	Training Policy	100%	31-Oct-13
13	Bursary Scheme Policy	100%	15-Oct-08
14	Health and Safety Policy	100%	1-May-08
15	Scarce Skills Policy	100%	20-Mar-13
16	Vehicle Allowance Policy	100%	29-Mar-17
17	Appointment of Retired Proff	100%	1-Jul-17
18	Policy Transport Allowance for Councillors	100%	Policy was reviewed by Council on 29 March 2017
19	Cellular Allowance Policy	100%	1-Nov-16
20	Overtime Policy	100%	1-Nov-16
21	Travel and Subsistence Policy	100%	27-Jul-17
<i>Use name of local policies if different from above and at any other HR policies not listed.</i>			T4.2.1

4.2.3 COMMENT ON WORKFORCE POLICY DEVELOPMENT

HR Policies are reviewed annually and amended if and when required. After approval, roadshows are conducted to workshop these policies with all staff to ensure that staff members are informed of the changes and or new policies.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

4.3.1 NUMBER AND COST OF INJURIES ON DUTY

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	81	36	44.44%	2.25	R 41,822.45
Temporary total disablement	44	2	4.55%	8.8	R 2,323.46
Permanent disablement	0	0	0.00%	0	R 0.00
Fatal	0	0	0.00%	0	R 0.00
Total	125	38	30.40%	11.05	R 44,145.91
					T4.3.1

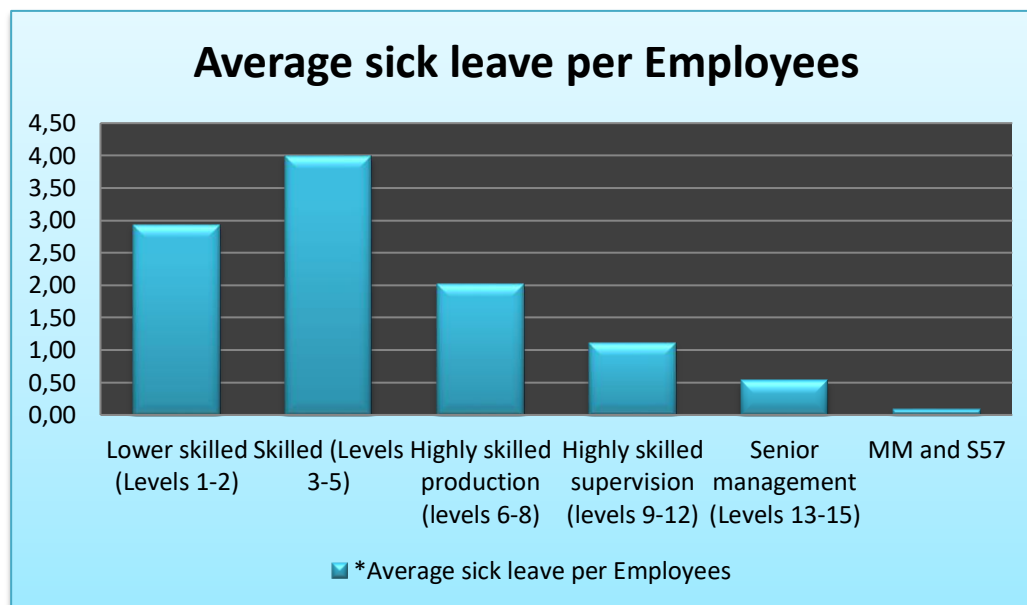
The municipality always strives to reduce the injuries on duty in order to contain cost as well as to maintain optimum levels of service delivery. To this end, regular safety meetings are conducted where safety concerns are addressed as well as weekly toolbox discussions and flash reports to staff.

4.3.2 NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURY ON DUTY)

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	1952	31%	164	210	2.94	R 624,774.00
Skilled (Levels 3-5)	2654	29%	244	254	3.99	R 958,789.00
Highly skilled production (levels 6-8)	1342	25%	115	122	2.02	R 823,741.00
Highly skilled supervision (levels 9-12)	739	15%	45	41	1.11	R 674,555.00
Senior management (Levels 13-15)	351	19%	32	35	0.53	R 488,952.00
MM and S57	57	6%	3	3	0.09	R 15,982.00

Total	7095	17%	603	665¹¹	10.67	R 3,586,793.00
* - Number of employees in post at the beginning of the year						T4.3.2
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						

4.3.3 AVERAGE NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURY ON DUTY)



4.3.4 COMMENT ON INJURY AND SICK LEAVE

Sick leave and IOD leave has a direct impact on service delivery. The municipality is constantly looking at possible abuse of sick leave and if found corrective measures are put in place. Information sessions are also conducted to make staff members aware of procedures in respect of sick leave

4.3.5 NUMBER AND PERIOD OF SUSPENSIONS

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Informal Settlement Officer	Still under investigation	08/04/2019	N/A	N/A
				T4.3.5

The Disciplinary Procedure Collective Agreement, entered into at the SALGBC between the employer organisation (SALGA), and the two recognised unions, SAMWU and IMATU put measures in place on how to deal with misconduct. Its main aim to ensure a fair common and uniform procedure for the management of discipline in the workplace. This collective

¹¹ These numbers represent the aggregated number of employees within the post during the financial year that was eligible for sick leave during the respective year.

agreement is applicable to all staff members except the Accounting Officer and Senior Management.

4.3.6 DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
	<i>No cases of financial misconduct</i>		
			T4.3.6

4.4 PERFORMANCE REWARDS

4.4.1 PERFORMANCE REWARDS BY GENDER

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 2018/19 ¹²	Proportion of beneficiaries within group
				R' 000	%
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male	3	3	546 077	100%
Total		3	3	546 077	100%
Has the statutory municipal calculator been used as part of the evaluation process.					Yes/No
<p><i>Note: MSA 2000 S51 (d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>					T4.4.1

¹² Rewards paid in 2018/19 financial year in respect of performance for 2017/18.

4.4.2 COMMENT ON PERFORMANCE REWARDS

The implementation of performance management to lower levels of staff could still not be realised due to various constraints however we are hopeful to implement an individual performance management system within the next two years.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

Section 68(1) of the MSA states that the municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.5.1 NUMBER OF SKILLED EMPLOYEES

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2019	Number of skilled employees required and actual as at 30 June Year 2019											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 2018	Actual: End of Year 2019	Target	Actual: End of Year 2018	Actual: End of Year 2019	Target	Actual: End of Year 2018	Actual: End of Year 2019	Target	Actual: End of Year 2018	Actual: End of Year 2019	Target
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	0	0	0	0	3	3	0	0	0	0	3	3
Councillors, senior officials and managers	Female	23	0	0	0	0	19	19	0	0	0	0	19	19
	Male	35	0	0	0	1	23	24	0	0	0	1	23	24
Technicians and associate professionals*	Female	34	0	0	0	1	3	4	0	0	0	1	3	4
	Male	60	0	0	0	3	44	47	0	0	0	3	44	47
Professionals	Female	14	0	0	0	5	5	10	0	0	0	5	5	10
	Male	20	0	0	0	3	22	25	0	0	0	3	22	25
Sub total	Female	71	0	0	0	6	27	33	0	0	0	6	27	33
	Male	117	0	0	0	7	89	96	0	0	0	7	89	96
Total		188	0	0	0	26	116	142	0	0	0	26	116	142
*Registered with professional Associate Body e.g CA (SA)														T4.5.1

4.5.2 FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are important for the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493, dated 15 June 2007.

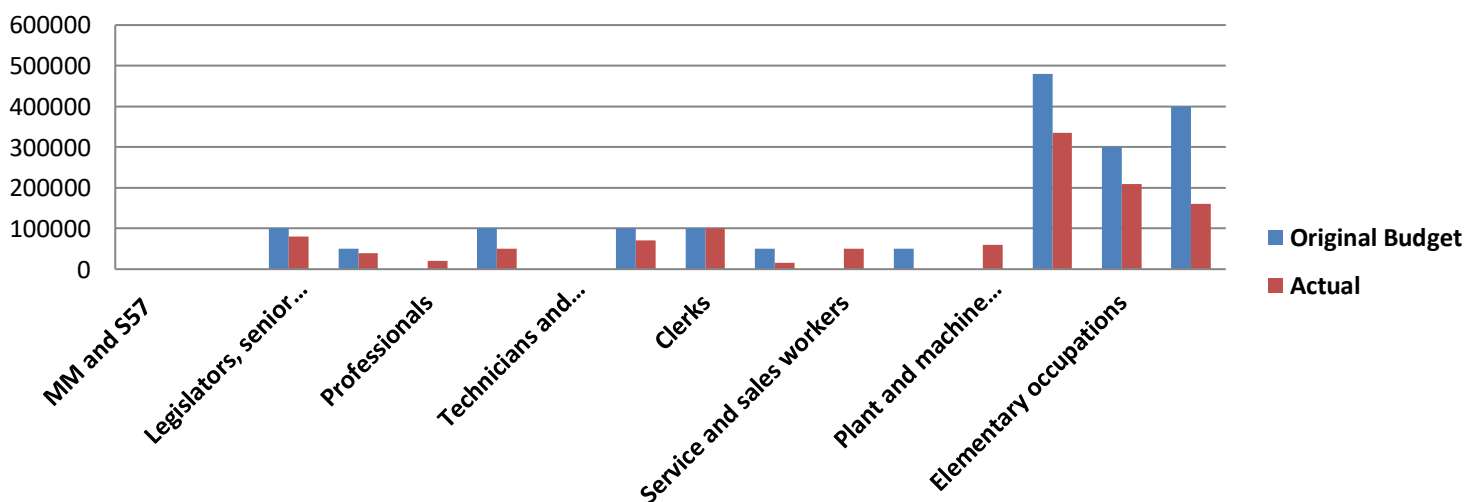
The table below provides details of the financial competency development progress and training needs of the Municipality thus far:

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	1	1	1
<i>Chief financial officer</i>	1	0	1	1	1	1
<i>Senior managers</i>	1	0	1	1	1	0
<i>Any other financial officials</i>	33	0	33	21	0	15
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	1	0	1	1	0	0
<i>Supply chain management senior managers</i>	0	0	0		0	
TOTAL	37	0	37	25	3	17
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T4.5.2

4.5.3 SKILLS DEVELOPMENT EXPENDITURE

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2017/2018							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	0								
	Male	3								
Legislators, senior officials and managers	Female	18			100000	80000			100000	80000
	Male	21			50000	40000			50000	40000
Professionals	Female	7				20000				20000
	Male	16			100000	50000			100000	50000
Technicians and associate professionals	Female	4								
	Male	34			100000	70000			100000	70000
Clerks	Female	85			100000	100000			100000	100000
	Male	15			50000	15000			50000	15000
Service and sales workers	Female	6				50000				50000
	Male	24			50000				50000	
Plant and machine operators and assemblers	Female	0				60000				60000
	Male	98	380000	300000	100000	35000			480000	335000
Elementary occupations	Female	30	200000	150000	100000	60000			300000	210000
	Male	350	200000	100000	200000	60000			400000	160000
Sub total	Female	150	200000	400000	200000	250000			400000	650000
	Male	561	580000	150000	350000	330000			930000	480000
Total		711	780000	550000	550000	580000	0	0	1330000	1130000
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R

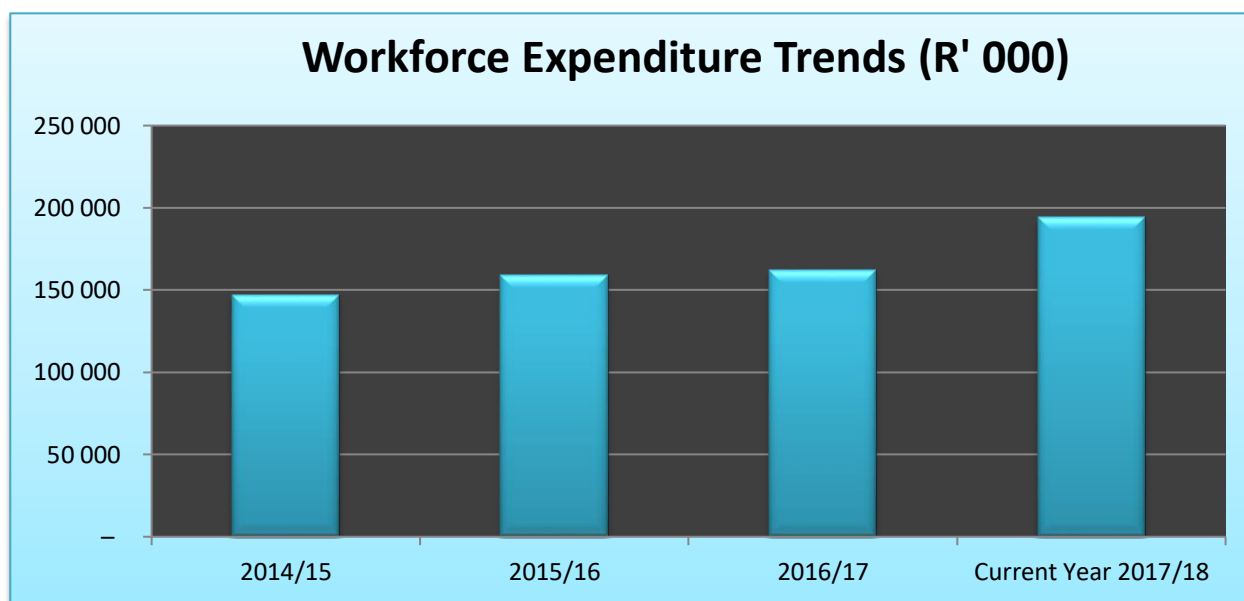
Skills development Budget



COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance (excluding councillor remuneration) for the past three financial years and that the municipality is well within the national norm of between 35 to 40%.

4.6 EMPLOYEE EXPENDITURE



4.6.1 NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITION BEING UPGRADED

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	3
	Male	0
Highly skilled supervision (Levels 9-12)	Female	2
	Male	0
Senior management (Levels 13-16)	Female	1
	Male	0
MM and S 57	Female	0
	Male	0
Total		6
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).		T4.6.2

4.6.2 EMPLOYEES WHOSE SALARY LEVELS EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Meter Reader	4	T5	T6	Result of outcome of evaluations
Manager	1	T14	T15	Result of outcome of evaluations
Chief	1	T13	T14	Result of outcome of evaluations
				T4.6.3

4.6.3 EMPLOYEES APPOINTED TO POSTS NOT APPROVED

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None				
				T4.6.4

CHAPTER 5 – FINANCIAL PERFORMANCE



5.1 INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Other Financial Matters

The municipality recently had a financial assessment done as part of the development of a long term financial plan and the following are an extract of key findings relating to Theewaterskloof:

- ❖ Theewaterskloof's annual per capita income of R59 592 is lower than any of the other municipalities in the District. It is also lower than the average for the province (R84 147) and slightly lower than that of the country (R59643).
- ❖ The number of households is expected to grow at an average rate of 1.7% p.a., slightly higher than the assumed population growth rate (1.1% p.a.) due to lower occupancy rates.
- ❖ The proportion of indigent households is assumed to amount to 49.8% of total households. This resulted in an estimated future 10-year annual average growth in revenue of 7.7% p.a. This growth cannot be achieved through an increase in tariffs alone

but consists of a combination of (i) increased sales, (ii) increase in tariffs and (iii) new revenue sources.

- ❖ The revenue derived from property rates is higher than the increase in rates, 7.6% vs 6.91% which is partly due to an increase in property values but also an increase in the number of rateable properties. The same is true for electricity service charges where the growth in billings exceed the growth in tariffs.
- ❖ Positively, the liquidity ratio of Theewaterskloof increased from 1.40 to 1.67:1 during 2018 due to an increase in current assets and a decrease in current liabilities.
- ❖ Theewaterskloof does not make use of extensive shared services with neighbouring municipalities. The optimal use of shared services to curtail expenses should remain on the agenda.
- ❖ Any cost containment under General Expenditure items should always be pursued.

Demographics and Economic Overview of the Municipality

To understand the financial challenges and position of the municipality it is important that one has an understanding of the demographics and economic environment of the region based on the **IHS Global Insight Rex database**:

- Theewaterskloof has a population of 124 374¹³ and an annual GVA totalling R9.73billion, (equal to 41% of the total GVA of the Overberg DM).
- The economy of the municipality is dominated by the Agricultural sector (24.8% contribution to GVA). Community Services contributed 17.5% of the GVA in 2018 and the Trade sector at 15.4% also made a significant contribution.
- The municipality's population is growing at 1.0% per annum and is slightly slower than the average GVA growth rate for the past 5 years of 1.2% p.a. The official unemployment rate of 15%, is much lower than the national average of 27.3%.
- The average annual income of the estimated 32 376 households in the municipality is R 209 075 or R 17 423 per month. 10.3% of households earn an annual income less than R30 000 or less than R2 500 per month.

Agriculture has remained the major economic driver for the past 10 years with a 24.8% contribution to GVA in 2018, however, lower than the level of 27.2% in 2009. The Community Services Sector (17.5%) is the second biggest contributor to GVA. During the past 10 years the contribution of Agriculture declined but the proportional contribution of Community Services, Trade and Finance increased while the contribution of other sectors did not change significantly over this period.

¹³ Source SEP 2018

SECTOR SHARE OF TOTAL GVA:THEEWATERSKLOOF

	2009	2018
1 Agriculture	27.2%	24.8%
2 Mining	0.1%	0.1%
3 Manufacturing	11.0%	10.9%
4 Utilities	5.5%	3.7%
5 Construction	5.3%	5.4%
6 Trade	14.2%	15.4%
7 Transport	8.1%	8.6%
8 Finance	12.3%	13.6%
9 Community services	16.4%	17.5%

Over the past ten years the total number of people formally employed in Theewaterskloof increased by 13.7% from 38 178 in 2009 to 43 404 in 2018.

As the third largest contributor to GVA, it follows that Trade represents the largest provider of employment in the municipality, employing approximately 11 000 people in 2018. Finance, Manufacturing and Community Services are also significant employers. Each of these sectors is currently employing over 6 000 people, and in total contributing 49% to employment.

The gross amount spent by people visiting Theewaterskloof was R 688.73 million for 2018. This gross amount spent represents 7% of the Local GVA.

During yet another tough economic year, the municipality had to continue to introduce initiatives to handle and deal with price increase, especially those attributable to inflationary increases. The municipality continued to strengthen its stance on decreasing/eliminating non-essential spending.

Looking at the future the municipality identified several key matters to be dealt with in 2019/2020:

The largest operational expenditure items are Employee Related Expenses and Bulk Purchases. To remain sustainable the municipality should maximise its productivity:

- Maintain its good staff productivity as measured by Total Income/Staff Costs and aim for a productivity target of at least 4.
- Ensure that the full cost of electricity distribution is covered by tariffs and that the Electricity Surplus Margin as measured by the difference between Electricity Service Charges and Electricity Bulk Purchases is maintained at 30% to ensure financial sustainability of the municipality in future.
- Ensure that the full cost of water distribution is covered by tariffs. The margin as measured by the difference between Water Service Charges and Water Bulk Purchases should approximate 80% on average.
- Put measures in place to reduce water loss in the municipality.
- Carefully manage the increase in expenses related to staff costs and Contracted Services, as it has a direct impact on financial robustness.

The municipality performed in 2018/19 when comparing to financial achievements to the previous financial year (2017/18). The following achievements during the financial year should be highlighted:

- ❖ A clean audit was achieved for the first time in 2012/13 which is proof of sound financial practices and principles. Only 30 (12 in the Western Cape) municipalities from a total of 278 had obtained this achievement nationally. The municipality managed to sustain the clean audit outcome both in 2013/14, 2014/15, 2015/16, 2016/17. There was a regression in the audit outcome for 2017/18 from clean audit to unqualified audit opinion. The municipality however regained its clean audit status in 2018/19.
- ❖ The collection rate has increased from 84% in 2018 to 85% in 2019.
- ❖ The Current Ratio has improved to 1.67:1, the higher the current ratio, the more capable the municipality is of paying its obligations, as it has a larger proportion of assets value relative to the value of its liabilities. The municipality has more than enough to cover its current liabilities if they come overdue.
- ❖ Capital replacement reserve has increased from R12, 425m (restated) in 2018 to R20, 822 in 2019.
- ❖ Capital spending: Despite being rated one of the least financial viable municipalities TWK over the past 9 years invested R612m in capital assets and infrastructure.
- ❖ TWK has posted annual Accounting Surpluses with the exception of a deficit in 2011/12 for the last 14 financial years. The surplus realized in 2019 amounts to R 87, 7m.
- ❖ TWK has been able to manage its credit score within the BBB Band for more than 13 years.
- ❖ Efficient costing of services and projects by identifying and managing the cost drivers.
- ❖ Active use of forecasts and projections to manage cash flow efficiently.
- ❖ Active monitoring of income and expenditure against pre-determined budget targets/projections.
- ❖ Set financial benchmarks and monitor performance against them.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.2 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
						R' 000
Description	2017/18	2018/19		2018/19 Variance		
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	98,145	100,604	100,604	101,760	1.15%	1.15%
Service charges	200,710	225,028	222,334	223,645	-0.61%	0.59%
Investment revenue	8,258	6,159	6,159	10,457	69.80%	69.80%
Transfers recognised - operational	96,989	146,043	151,388	116,115	-20.49%	-23.30%
Other own revenue	78,203	54,840	81,275	90,597	65.20%	11.47%
Total Revenue (excluding capital transfers and contributions)	483,421	532,674	561,759	542,574	1.86%	-3.42%
Employee costs	181,044	201,998	202,057	192,826	-4.54%	-4.57%
Remuneration of councillors	11,539	12,179	12,179	11,707	-3.88%	-3.88%
Depreciation & asset impairment	24,122	31,305	31,305	20,811	-33.52%	-33.52%
Finance charges	19,010	22,362	22,362	18,699	-16.38%	-16.38%
Materials and bulk purchases	67,091	137,223	134,739	76,382	-44.34%	-43.31%
Transfers and grants	2,476	,232	,347	2,642	1037.64%	662.28%
Other expenditure	45,376	145,884	177,835	178,396	22.29%	0.32%
Total Expenditure	464,573	551,182	580,824	501,462	-9.02%	-13.66%
Surplus/(Deficit)	18,848	(18 508)	(19 065)	41,112	-322.13%	-315.64%
Transfers recognised - capital	50,145	47,348	42,738	34,341	-27.47%	-19.65%
Contributions recognised - capital & contributed assets	,272	–	,140	13,184	–	–
Surplus/(Deficit) after capital transfers & contributions	69,265	28,840	23,814	88,637	207.34%	272.21%
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
Surplus/(Deficit) for the year	69,265	28,840	23,814	88,637	207.34%	272.21%
Capital expenditure & funds sources						
Capital expenditure	87,214	78,756	88,460	76,533	-2.82%	-13.48%
Transfers recognised - capital	46,059	47,348	42,738	34,863	-26.37%	-18.43%
Public contributions & donations	–	–	15,301	13,213	–	–
Borrowing	26,261	10,420	14,145	13,695	31.43%	-3.18%
Internally generated funds	14,894	20,988	16,276	14,761	-29.67%	-9.30%
Total sources of capital funds	87,214	78,756	88,460	76,533	-2.82%	-13.48%
Financial position						
Total current assets	128,733	98,916	146,347	208,505	110.79%	42.47%
Total non-current assets	853,487	944,634	910,258	905,283	-4.17%	-0.55%
Total current liabilities	91,299	88,759	107,148	124,226	39.96%	15.94%
Total non-current liabilities	213,755	236,180	229,885	223,758	-5.26%	-2.67%
Community wealth/Equity	677,166	718,611	719,571	765,803	6.57%	6.42%

Cash flows						
Net cash from (used) operating	95,335	53,731	58,805	127,656	137.58%	117.08%
Net cash from (used) investing	(87 571)	(78,754)	(73,247)	(63 501)	-19.37%	-13.30%
Net cash from (used) financing	(8 187)	2,247	5,192	2,885	28.38%	-44.44%
Cash/cash equivalents at the year end	63,901	(22 776)	(9 250)	67,040	-394.34%	-824.79%
Cash backing/surplus reconciliation						
Cash and investments available	63,901	18,835	54,651	130,940	595.20%	139.59%
Application of cash and investments	29,944	4,977	23,573	62,724	1160.36%	166.08%
Balance - surplus (shortfall)	33,956	13,858	31,078	68,216	392.24%	119.50%
Asset management						
Asset register summary (WDV)	773,098	866,082	830,672	835,899	-3.48%	0.63%
Depreciation & asset impairment	24,122	31,305	31,305	31,502	0.63%	0.63%
Renewal of Existing Assets		25,418	28,334		-100.00%	-100.00%
Repairs and Maintenance	20,676	34,823	34,495	25,135	-27.82%	-27.13%
Free services						
Cost of Free Basic Services provided	19,459	26,039	26,039	28,393	9.04%	9.04%
Revenue cost of free services provided	18,711	1,376	1,376	9,724	606.64%	606.64%
Households below minimum service level						
Water:	,1	–	–	–	#DIV/0!	#DIV/0!
Sanitation/sewerage:	,4	–	–	–	#DIV/0!	#DIV/0!
Energy:	–	–	–	–	0.00%	0.00%
Refuse:	–	,39	,39	,39	0.00%	0.00%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						T5.1.1

5.2.1 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

Financial Performance of Operational Services						
R '000						
Description	2017/18	2018/19			2018/19 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Service						
Water Distribution	49,083	54,996	54,697	54,351	-1%	-0.63%
Waste Water Management	31,140	39,150	39,804	35,863	-8%	-9.90%
Electricity Distribution	70,727	77,609	77,189	77,099	-1%	-0.12%
Solid Waste Management	42 099	53 119	53 057	42 928	-19%	-19.09%
Housing Services	6,458	43,588	46,469	17,800	-59%	-61.69%
Component A: sub-total	199,507	268,461	271,216	228,040	-15%	-15.92%
Roads Services	31,967	30,374	31,917	31,851	5%	-0.21%
Transport	–	–	–	–	–	–
Component B: sub-total	31,967	30,374	31,917	31,851	5%	-0.21%
Planning	11,973	13,116	13,818	11,278	-14%	-18.38%
Component C: sub-total	11,973	13,116	13,818	11,278	-14%	-18.38%
Community & Social Services	6,527	9 317	9,229	7,746	-17%	-16.07%
Environmental Protection	0	299	99	0	-100%	-99.75%
Health	–	–	–	–	–	–
Public Safety	62,942	55,854	63,481	56,411	1%	-11.14%
Sport and Recreation	8,106	10,772	10,508	9,459	-12%	-9.98%
Corporate Policy Offices and Other	144,547	162,988	180,556	156,676	-4%	-13.23%
Component D: sub-total	222,122	239,231	263,873	230,293	-4%	-12.73%
Net Total Expenditure	465,569	551,182	580,824	501,462	-9%	-13.66%
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget divided by the original/adjustments budget.						T5.1.2

5.2.2 REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	2017/2018	2018/2019			2018/2019	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Budget and treasury office	189 072	187 973	194 637	224 793	20%	15%
Vote 2 - Community and social services	8 202	9 942	9 942	8 729	-12%	-12%
Vote 3 - Corporate services	27 995	26 688	28 798	30 561	15%	6%
Vote 4 - Electricity	89 649	88 413	93 963	90 898	3%	-3%
Vote 5 - Environmental protection	–	–	–	–	–	–
Vote 6 - Executive and council	1 153	1 130	1 459	641	-43%	-56%
Vote 7 - Housing	16 858	61 255	56 017	22 705	-63%	-59%
Vote 8 - Planning and development	3 374	2 558	2 013	2 746	–	–
Vote 9 - Public safety	48 278	32 261	50 392	39 783	23%	-21%
Vote 10 - Road transport	5 448	6 263	6 806	7 041	12%	3%
Vote 11 - Sport and recreation	77	444	444	429	-4%	-4%
Vote 12 - Waste management	37 096	42 785	43 843	43 550	2%	-1%
Vote 13 - Waste water management	33 936	40 341	41 349	40 552	1%	-2%
Vote 14 - Water	72 699	79 970	74 976	77 670	-3%	4%
Vote 15 - [NAME OF VOTE 15]	-	–	–	–	–	–
Total Revenue by Vote	533 838	580 022	604 637	590 099		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

5.3 GRANTS

Grant Performance						
R' 000						
Description	2017/18	2018/19		2018/19 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	122 513	121 498	117 266	121 498		
Equitable share	77 911	87 385	87 385	87 385	0%	0%
Municipal Systems Improvement	–	–	–	–	0%	0%
Municipal Disaster Recovery	2 886	–	248	–	0%	0%
Local Government Financial Management Grant (FMG)	1 479	1 479	1 479	1 479	0%	0%
Municipal Infrastructure Grant (MIG)	27 044	22 654	22 654	22 654	0%	0%
National Electrification Programme	7 625	4 492	(133)	4 492	0%	-3471%
Expanded public works programme (EPWP)	1 623	1 451	1 451	1 451	0%	0%
Regional Bulk Infrastructure Grant	–	–	–	–	0%	0%
VAT on grants	3 767	4 037	4 037	4 037	0%	0%
Public Works	178	–	146	–	0%	-100%
Neighbourhood Development Programme Grant	–	–	–	–	0%	0%
Provincial Government:	27 673	71 893	71 287	45 643		
Health subsidy	–	–	–	–		
Housing	16 681	61 255	57 914	34 538	-44%	-40%
Municipal Infrastructure Support Grant	–	–	–	–	–	–
Sports and Recreation	–	401	401	401	0%	0%
Financial Management Support Grant	330	330	1 680	1 330	303%	-21%
CDW Operational Support Grant	84	130	37	–	-100%	-100%
Maintenance of proclaimed main roads	85	117	117	117	0%	0%
Library Service conditional Grant	7 499	9 300	9 300	8 327	-10%	-10%
Violence Prevention through Urban Upgrading	–	–	–	–	0%	0%
Thusong Service Centres Grant	460	–	98	–	–	-100%
Municipal Capacity Building Grant	363	360	1 170	930	158%	-21%
Municipal Disaster Recovery (Water Supply Grant)	2 131	–	569	–	0%	-100%
LG Graduate Internship Grant	40	–	–	–	0%	
Other grant providers:	922	1 000	4 182	29 945	-29	1
DBSA LEDI	234	–	2 350	142	0%	-94%
HAN		1 000 000	1 422	441	0%	-69%
SETA	261	–	200	443	–	122%
Economic Development (Youth Development)	70	–	70	–	0%	-100%
WATER AND SANITATION GRANT	–	–	–	28 919		
SANRAL	357	–	140	–	0%	-100%
Total Operating Transfers and Grants	151 107	194 391	192 735	197 086		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						T5.2.1

5.3.1 COMMENT ON OPERATING TRANSFERS AND GRANTS

34.16% of Theewaterskloof's Total Revenue was derived from government grant and subsidies in 2018/19; indicating the Municipality's reliance on Grants and Subsidies. During the 2018/19 financial year the municipality received a total of R 197,086 m. Provincial transfers of R 45, 643, national grants amounting to R 121, 498m and R 29,945m from other grant funders make up the total amount of grant funding received during the 2018/19 financial year. The largest transfer received was received in the form of equitable share (R87, 385m) and housing grant (R 34,538m).

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2017/18	Actual Grant 2018/19	2017/18 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
SETA	261	443				Skills Development
HAN	1346	603				Youth Development
DBSA LED	234	142				Local Economic Development
SANRAL	234	–				Infrastructure - Road transport
ECONOMIC DEVELOPMENT	70	–				Local Economic Development
Foreign Governments/Development Aid Agencies						
Private Sector / Organisations						
Provide a comprehensive response to this schedule						T5.2.3

5.3.2 CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

The municipality received a total of R29, 945 m from Donors other than the division of revenue act. The HAN grant gives students from abroad the opportunity to engage with previously disadvantage communities and launch projects aimed at uplifting these communities. SETA is utilised from skills development and training within the organisation.

5.4 ASSET MANAGEMENT

5.4.1 OVERVIEW

Theewaterskloof Municipality have a centralised Asset Management Unit based in Caledon. The unit is responsible for all assets related functions throughout the entire region consisting of eight (8) towns.

Key Element from the Asset Management Policy (AMP)

The proper utilization and management of assets is one of the prime mechanisms by which a municipality can fulfil its constitutional objectives for:

- Delivery of sustainable services;
- Promotion of Social and economic development
- Promoting a safe and healthy environment and;
- Providing for the basic needs to the community.
- The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- Stewardship has three components being the:
 - Management, utilization and control by the Municipal Officials.
 - Financial administration by the Chief Financial Officer, and
 - Physical administration by the Asset and Property Managers
- Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a local government.
- Accounting standards are set to ensure the appropriate financial treatment for property, plant and equipment. The requirements of these accounting standards include:
 - The compilation of asset registers recording all assets controlled by the municipality.
 - Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant and equipment.
 - The standards to which these financial records must be maintained.

The Municipal Manager is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

- The Municipal Manager must take all reasonable steps to ensure that:
- The municipality has and maintains a management, accounting and information system that records all the assets of the municipality;
- The municipality's assets are valued in accordance with recognised standards as prescribed by statutes and/or regulations;
- That the municipality has and maintains a system of internal control of assets, including an asset register; and
- That Senior Management comply with the Asset Management Policy.

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipalities' assets is properly recorded.

- The Chief Financial Officer must take all reasonable steps to ensure that
- Appropriate systems of financial management and internal controls are established and carried out diligently;

- The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are detected, prevented and investigated;
- The systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of all statutes;
- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
- The Directors and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
- The Chief Financial Officer may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed

The Directors must take all reasonable steps to ensure that:

- Appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;
- The municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- The assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are detected, prevented and investigated;
- The asset management systems and controls can provide an accurate, reliable and up to date record of assets under their control.
- They are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives.
- The purchase of assets complies with all municipal policies and procedures.
- The contribution (donation) asset communicated with the Asset Department in writing.
- All moveable property, plant and equipment is duly processed and identified and inspected as being in order before it is received into their stewardship.
- All moveable assets received into their stewardship are appropriately safeguarded against inappropriate use or loss. This will include control over the physical access to these assets and regular verification takes to ensure that no losses have occurred. Any known losses should be immediately reported to the Chief Financial Officer.
- Assets are appropriately utilized for the purpose for which the municipality acquired them.
- Report any lost, stolen and damaged asset in line with the insurance SOP and policy

The Director may delegate or otherwise assign responsibility for performing these functions but will remain ultimately accountable for ensuring these activities are performed

Challenges	Achievements
Not having Maintenance Plans in place for all Assets adding to backlog replacements	Auction held on the 11 th of June 2019 raising an amount of R 484 182,70 (excl VAT)
Infrastructure backlogs to ensure continuation of basic services	Fully functional Insurance Claims Committee to review claims for negligence
Safeguarding of asset against theft and loss is resulting in huge expenses	Insurance SOP in place
Require technology to assist in the updating of	Creating awareness of Asset Management

the asset register as it is done manually. through signing of door sheets.

Still having new system challenges

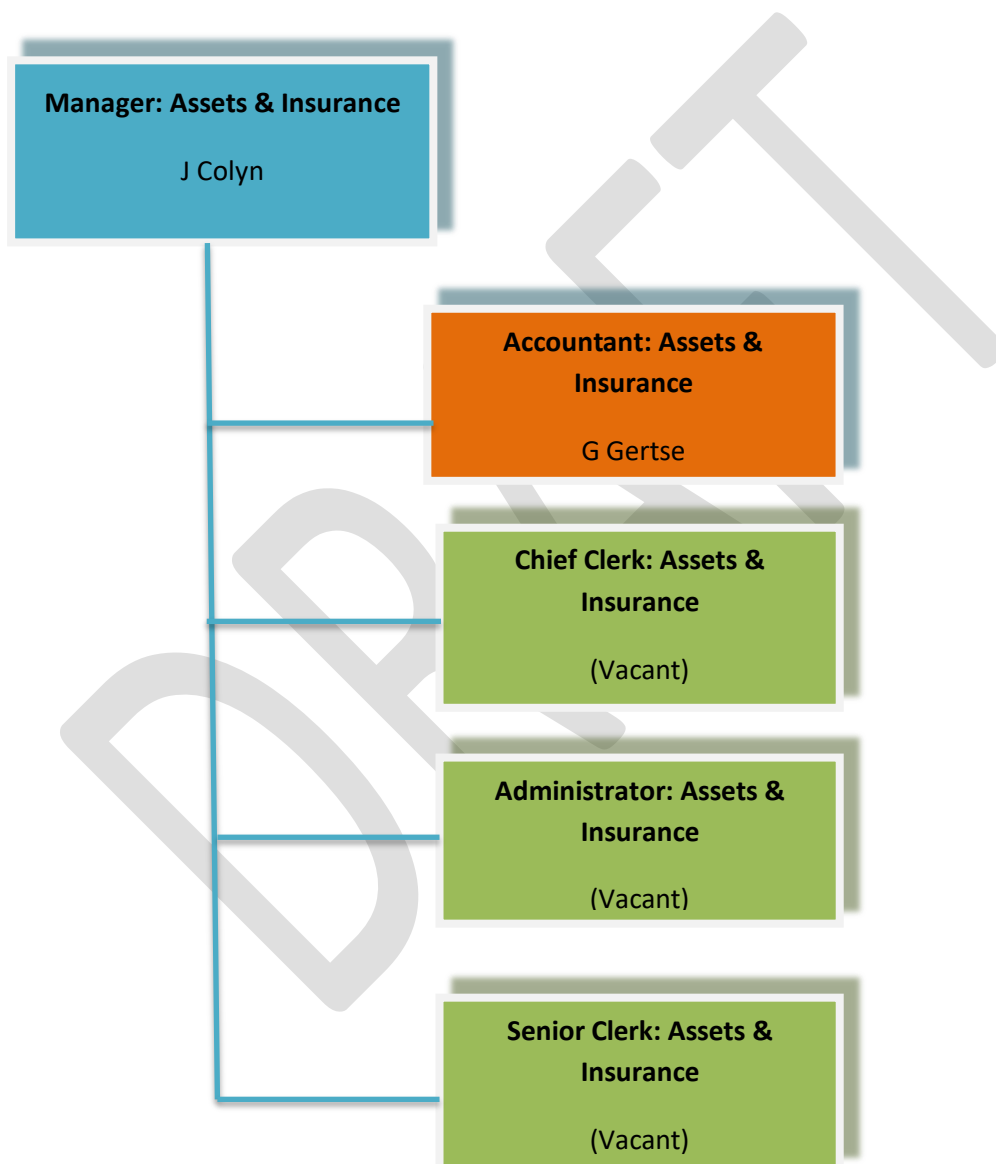
Consequence Management for not adhering to

Asset Management SOP

5.4.2 ASSET MANAGEMENT UNIT (AMU)

The organogram extract of the AMU on the next page represent the current human resource allocation

There are currently no capacity development initiatives in terms of the AMU



TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2018/19			R'000
Asset 1			
Name	Waste Water Treatment Works Upgrade		
Description	Upgrading Waste Water Treatment Works At Caledon.		
Asset Type	Fixed Asset		
Key Staff Involved	D Damons		
Staff Responsibilities	Project Management		
Asset Value	2016/17	2017/18	2018/19
		9,881	6,941
Capital Implications	Maintenance Cost and Financing		
Future Purpose of Asset	Provision for treatment of waste water.		
Describe Key Issues	Fast growing community		
Policies in Place to Manage Asset	Asset Management Policy		
Asset 2			
Name	Low Cost Housing Project: Grabouw Rooidakke Extension Iraq		
Description	A Low Cost Housing Project for An Extension to Grabouw Rooidakke Iraq.		
Asset Type	Fixed Asset		
Key Staff Involved	W Moses		
Staff Responsibilities	Project Management		
Asset Value	2016/17	2017/18	2018/19
		9,255	5,454
Capital Implications	Maintenance cost and Financing		
Future Purpose of Asset	Ensures Low Cost Houses for the Community.		
Describe Key Issues	Fast growing community		
Policies in Place to Manage Asset	Asset Management Policy		
Asset 3			
Name	Waste Drop off		
Description	Development of a Waste Drop Off spot.		
Asset Type	Fixed Asset		
Key Staff Involved	D Damons		
Staff Responsibilities	Project Management		
Asset Value	2016/17	2017/18	2018/19
		6,194	5,032
Capital Implications	Maintenance cost and financing		
Future Purpose of Asset	To make provision for Waste Drop off.		
Describe Key Issues	Fast growing community		
Policies in Place to Manage Asset	Asset Management Policy		
			T5.3.2

5.4.3 REPAIRS AND MAINTENANCE EXPENDITURE

Repair and Maintenance Expenditure: 2018/19				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	34,823	34,495	25,134	27.14%
				T5.3.4

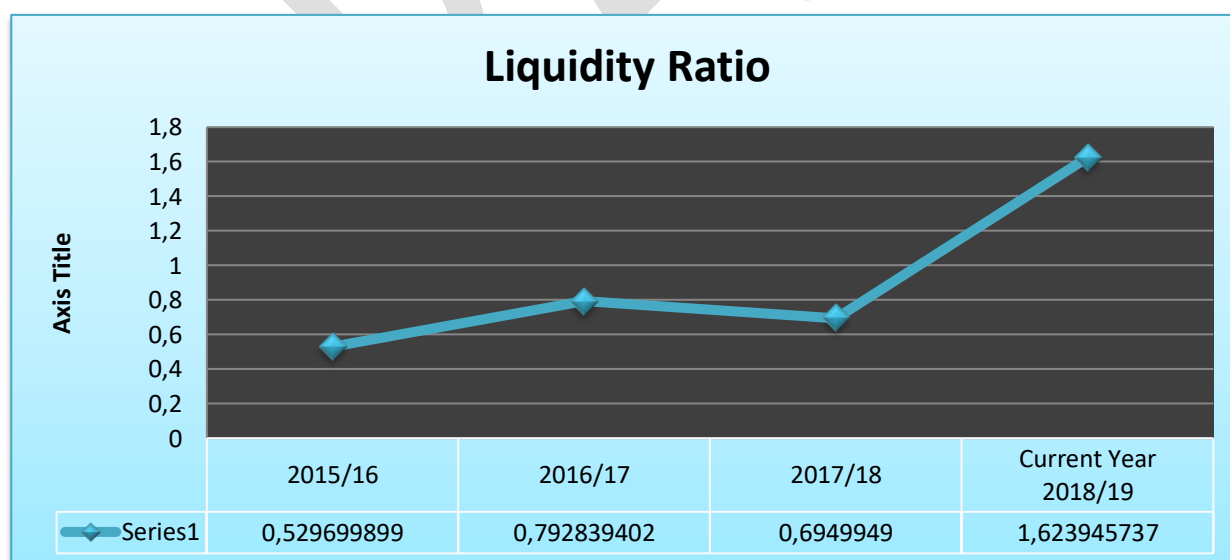
In 2018/19 Theewaterskloof municipality budgeted R34, 823m for repairs and maintenance. This was adjusted to R34, 495m. The actual repairs and maintenance for the year 2018/19 amounted to R25, 134m, meaning that 72.86% of the repairs and maintenance budget was spent.

This proves that the municipality acknowledges the importance of spending on maintenance to ensure asset function optimally and reach their expected useful life. The municipality's first priority however is to ensure that day to day service delivery proceed undisturbed and has managed to do so within the limits of the budget. A rapid year on year increase in repairs and maintenance expenditure could have negative consequences such as cash shortages that in turn could hamper essential service delivery. Routine maintenance was however performed as planned.

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity ratio: Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

The following graph indicates the liquidity financial ratio for 2018/19:

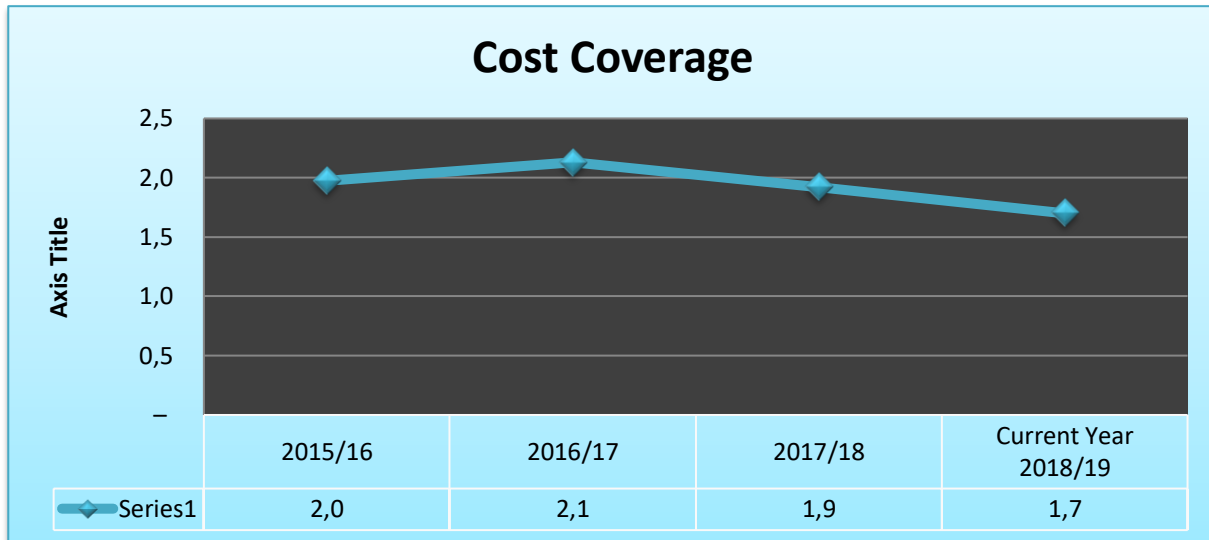


The current ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations. It compares the municipality's current assets to its current liabilities, and is expressed as follows: The current ratio is an indication of a municipality's liquidity. The higher the Ratio, the more capable the Municipality will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. The liquidity

ratio has increased from 0.69 to 1.62 meaning Theewaterskloof municipality is capable to pay its short-term obligations.

Cost Coverage: It explain how many months expenditure can be covered by cash and liquid assets available to the Municipality excluding utilisation of grants calculated.

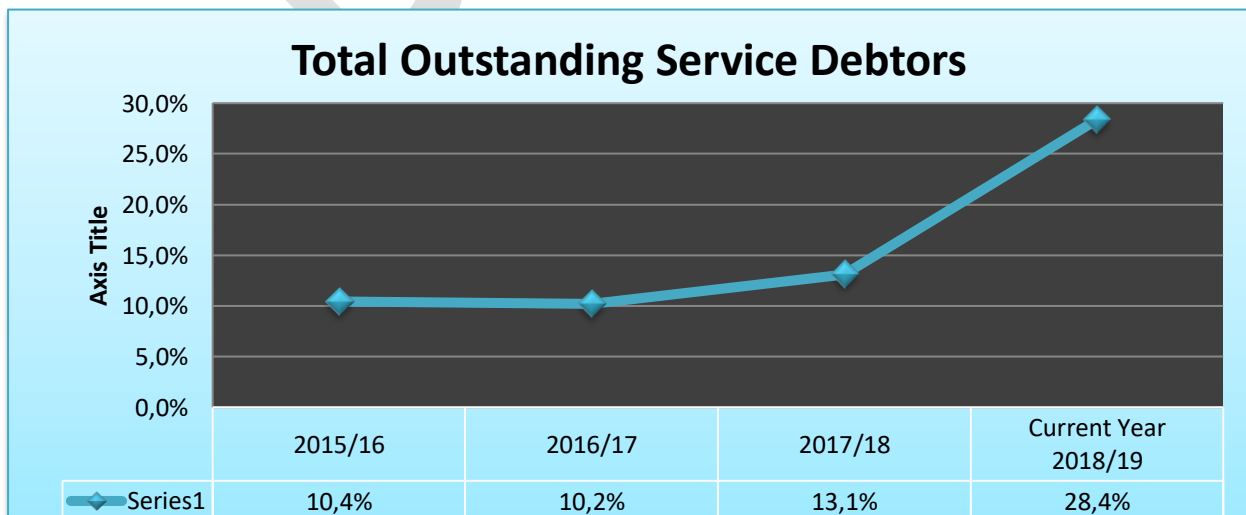
The following graph indicates the liquidity financial ratio for 2018/19:



The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month. The norm set by National Treasury is that a municipality should have between one and three months cash to cover its monthly fixed expenses. Theewaterskloof municipality's cost coverage ratio has decrease from 1.9months to 1.7months .The municipality is still safe and within the norm between one to three months.

Total outstanding Service debtors: Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the annual revenue. A lower score is better.

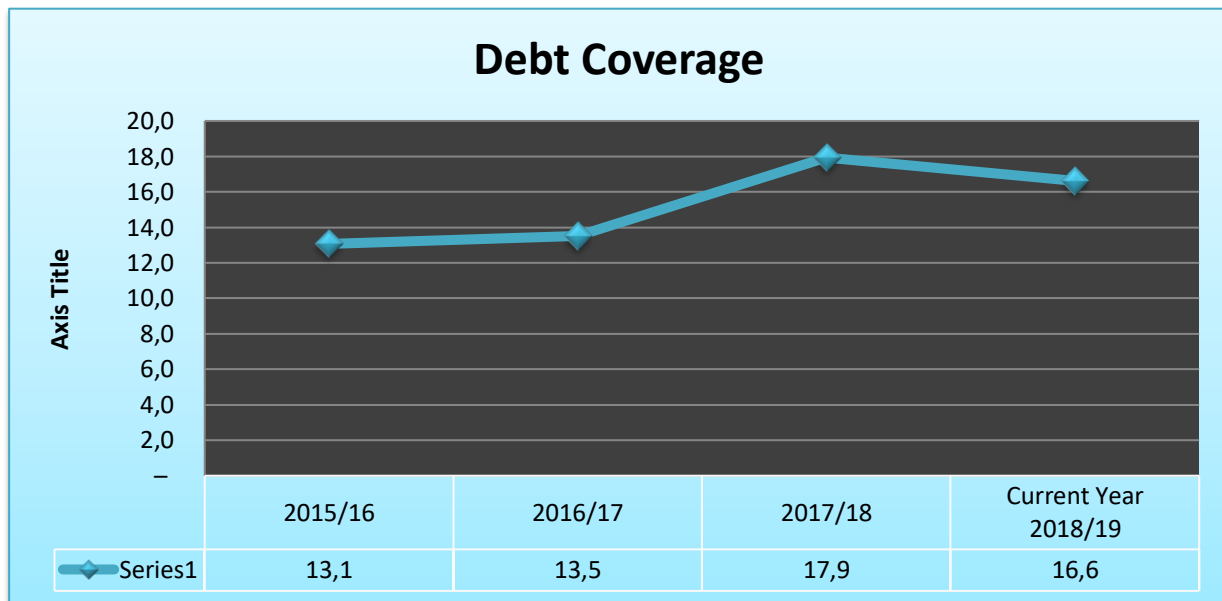
The following graph indicates the Total Outstanding Service Debtors financial ratio for 2018/19:



The municipality will embark on a public relations and awareness campaign to encourage payment for municipal services and rates, improve the relationship between the municipality and stakeholders and develop educational tools to change the culture surrounding the payments of municipal accounts. The project is currently in progress.

Debt Coverage: The number of times debt payments can be accommodate within operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality.

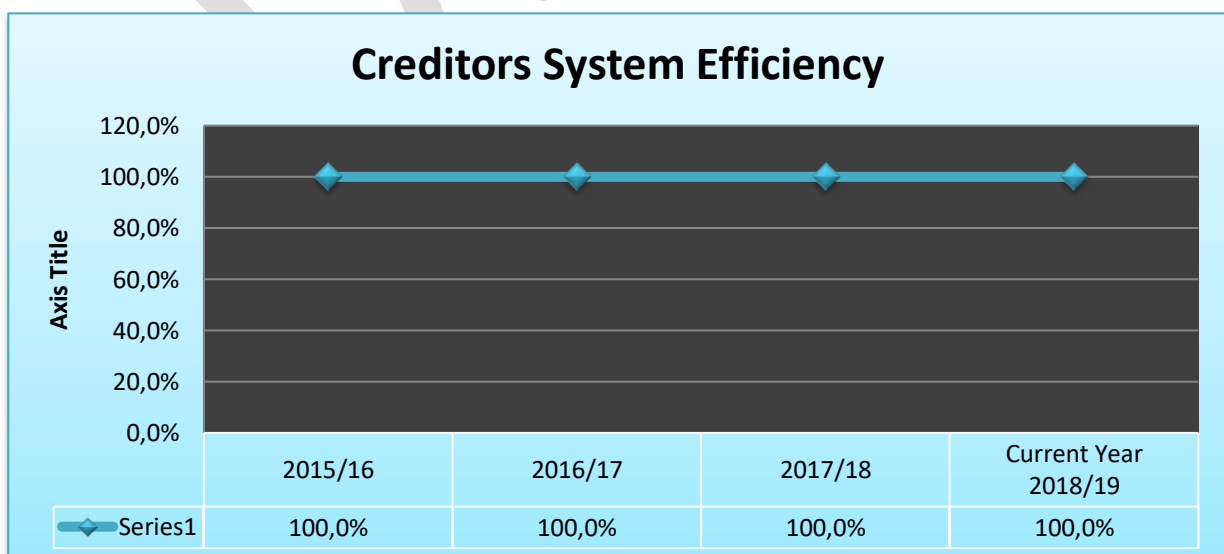
The following graph indicates the Debt Coverage financial ratio for 2018/19:



The debt coverage ratio decreased from 17.9 in 2017/18 to 16.6 in 2018/19. The ratio remains constant over the reporting period and is at acceptable levels.

Creditors System Efficiency: The proportion of creditors paid within 30 days. This ratio is calculated by outstanding trade creditors divided by credit purchases.

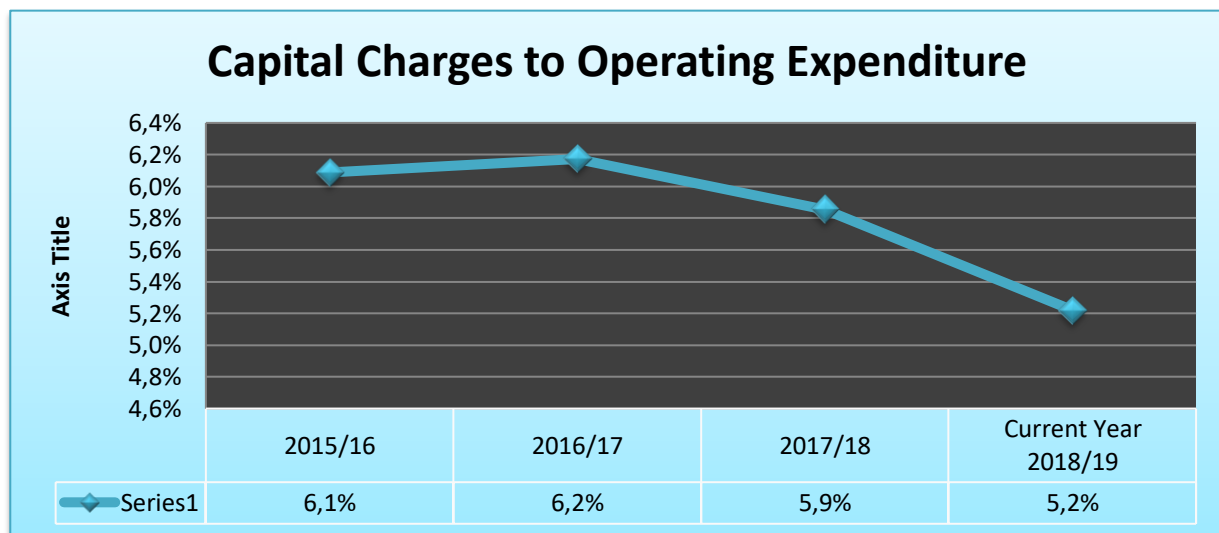
The following graph indicates the Creditors System Efficiency financial ratio for 2018/19:



Theewaterskloof always ensure compliance with the MFMA requirement that all creditors must be paid within 30 days. When a municipality struggles to pay all creditors within 30 days it could be an indication of liquidity challenges and failing to pay creditors on time could result in fruitless and wasteful expenditure in the form of interest and could negatively affect service delivery as suppliers will become reluctant to transact with the municipality.

Capital charges to operating expenditure: Is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

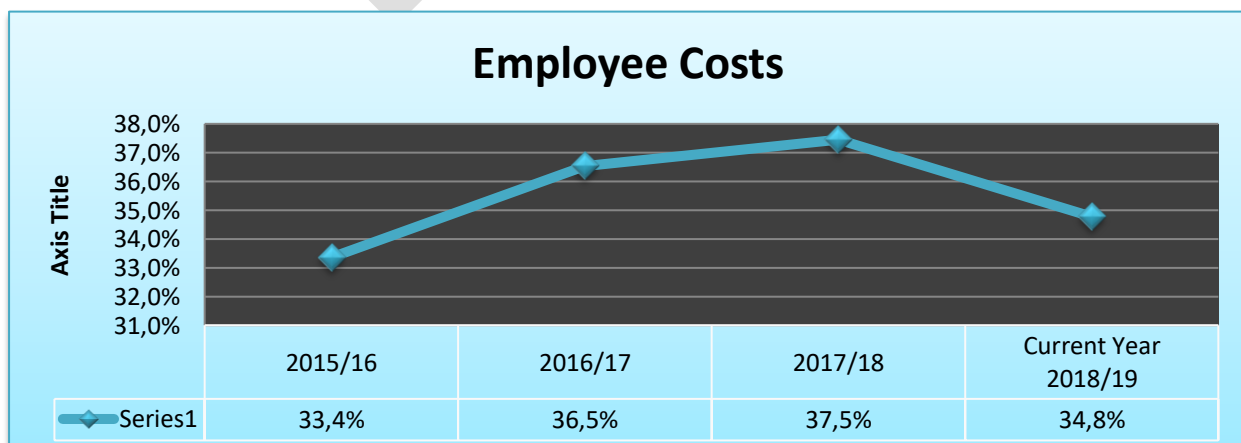
The following graph indicates the Capital Charges to Operating Expenditure financial ratio for 2018/19:



The National Treasury norm is between 6% and 8 %. Theewaterskloof municipality is below the norm. Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels.

Employee Cost: Measures what portion of the revenue was spent on paying employee cost. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

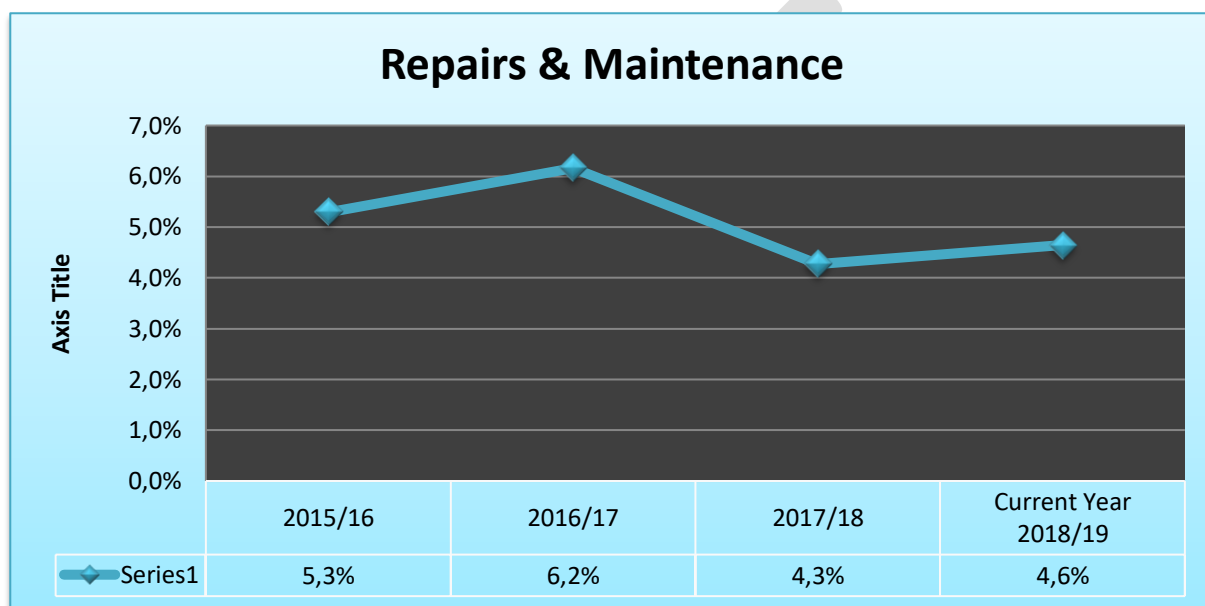
The following graph indicates the Employee Costs financial ratio for 2018/19:



If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors. The National Treasury norm is between 25% and 40 %. Theewaterskloof municipality is below the norm.

Repairs and Maintenance: Measures what portion of the revenue was spent on paying for repairs and maintenance costs. It is calculated by dividing total repairs and maintenance cost by the difference between total revenue and capital revenue.

The following graph indicates the Repairs and Maintenance financial ratio for 2018/19:



See financial health overview for comments relating to employee expenditure as well as expenditure on repairs and maintenance.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

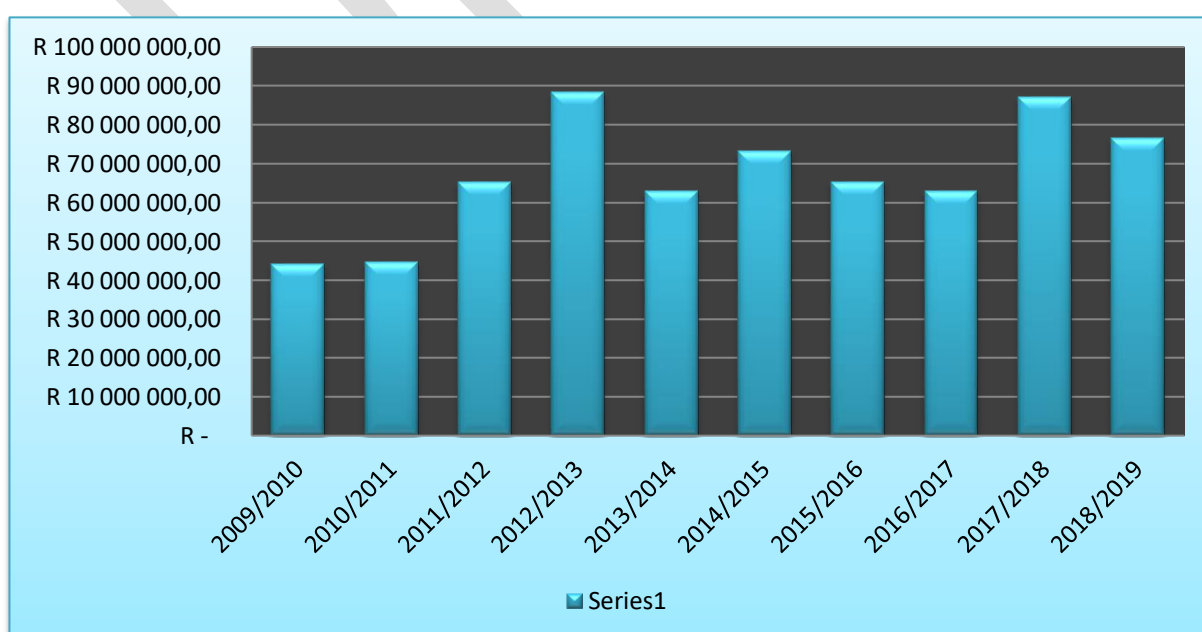
5.6 INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. The municipality recently adopted its long-term financial plan. One of the main focus of the plan was to identify future capital needs (demand) and the funding sources thereof (affordability). As indicated by the table below the municipality has shown tremendous growth in its capital expenditure and percentage of capital budget spent.

Over the last 10 year the municipality has invested R 670m into capital assets. The municipality nevertheless face tough challenges over the coming 10 years as illustrated in long term financial plan. The financial year 2012/13 remains the municipalities highlight in terms of capital expenditure illustrating that the municipality has the institutional ability to handle large capital projects.

Capital Expenditure per Financial Year :

FINANCIAL YEAR	CAPITAL EXPENDITURE
2009/2010	R 44 028 275.00
2010/2011	R 44 623 014.00
2011/2012	R 65 246 349.00
2012/2013	R 88 401 217.00
2013/2014	R 62 946 682.00
2014/2015	R 73 127 217.68
2015/2016	R 65 231 185.23
2016/2017	R 63 010 433.00
2017/2018	R 87 213 990.00
2018/2019	R 76 532 726.00
Grabd Total	R 670 361 088.91

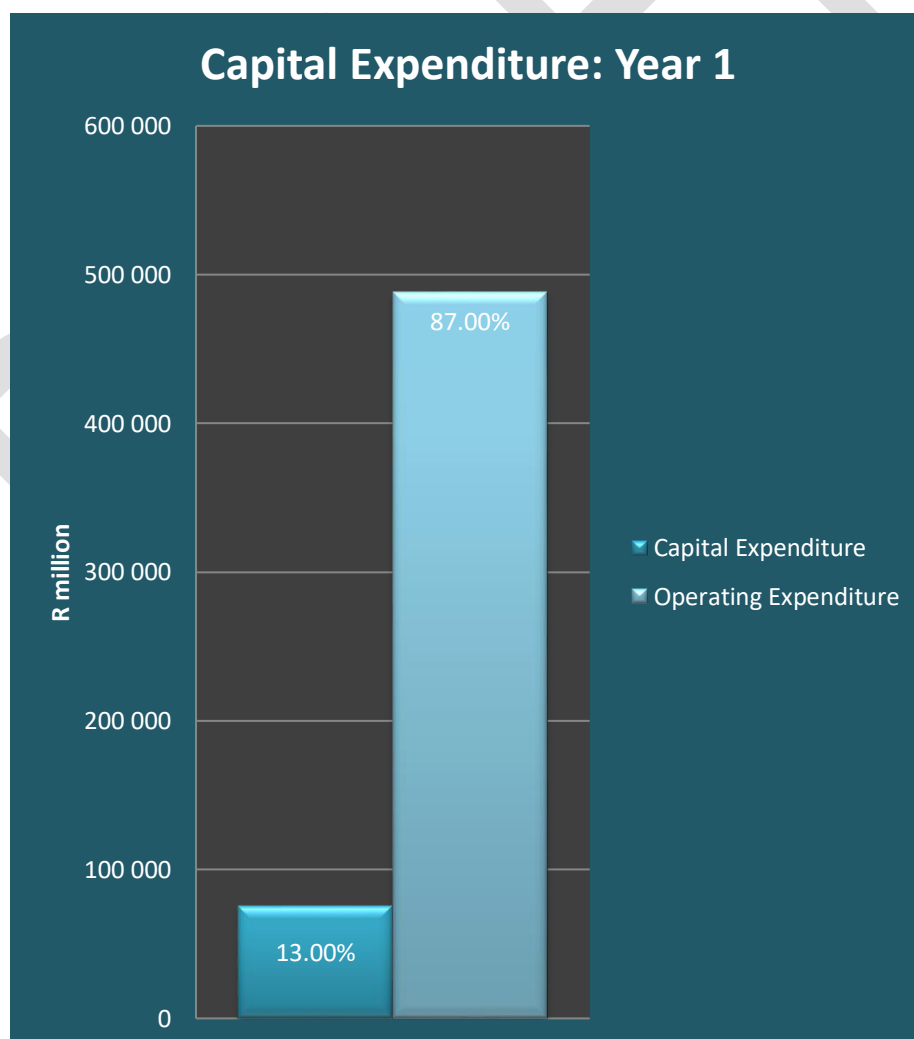


In 2018/19 Theewaterskloof municipality budgeted R78, 755m for capital expenditure. This was then adjusted to R88, 460m. The actual capital expenditure for the year 2018/19 amounted to R76, 532 m, effectively meaning that 87% of the capital budget was spent.

The funds not spend was largely due to the following projects:

1. Villiersdorp Resource Centre – R 13 570 000
2. Caledon Waste Water Treatment works upgrade – R 3 270 593 (The work for the project is completed up to end of June 2019 as planned.)
3. Low Cost Housing Project: Botrivier Beaumont Land acquisition – R 4 200 000 (The purchase is in the finalised process. Appointment of professionals to commence.)
4. Low Cost Housing Project : Riviersonderend 72 Sites – R 1 200 000 (Contractor on site and progressing on implementation schedule. First progress claims paid.)
5. Low Cost Housing Project : Villiersdorp Destiny Farm – R 2 000 000 (This project as experienced many delays due to unavailability of bulk infrastructure. The implementing agent presented a full costing to Province on the 14th June 2019. Province to provide guidance on the feasibility and future of this project.)
6. Transfer Station – R 1 368 688 (Funds transferred with adjustment budget.)

5.7 CAPITAL EXPENDITURE



R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	78 756	86 754	75 805	3.7%	12.6%
	78 756	86 754	75 805	3.7%	12.6%
Operating Expenditure	551 182	580 824	500 972	9.1%	13.7%
	551 182	580 824	488 183	11.4%	15.9%
Total expenditure	629 938	667 578	563 988	10.5%	15.5%
Water and sanitation	25 023	25 509	25 570	-2.2%	-0.2%
Electricity	3 515	5 005	4 696	-33.6%	6.2%
Housing	24 100	18 085	11 112	53.9%	38.6%
Roads, Pavements, Bridges and storm water	977	1 118	1 008	-3.1%	9.9%
Other	25 141	37 036	33 419	-32.9%	9.8%
	78 756	86 754	75 805	3.7%	12.6%
External Loans	10 420	12 439	13 695	-31.4%	-10.1%
Internal contributions	20 988	16 276	14 761	29.7%	9.3%
Grants and subsidies	47 348	42 738	34 135	27.9%	20.1%
Other	0	15 301	13 213		13.6%
	78 756	86 754	75 805	3.7%	12.6%
External Loans	10 420	12 439	13 695	-31.4%	-10.1%
Grants and subsidies	47 348	42 738	34 135	27.9%	20.1%
Investments Redeemed	0	0	0		
Statutory Receipts (including VAT)	0	0	0		
Other Receipts	20 988	31 577	27 975	-33.3%	11.4%
	78 756	86 754	75 805	3.7%	12.6%
Salaries, wages and allowances					
Cash and creditor payments					
Capital payments	78 756	86 754	75 805	3.7%	12.6%
Investments made					
External loans repaid					
Statutory Payments (including VAT)					
Other payments					
	78 756	86 754	75 805	3.7%	12.6%

	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates	100 604	100 604	101 760	-1.1%	-1.1%
Service charges	225 028	222 334	223 971	0.5%	-0.7%
Other own revenue	60 999	87 433	99 319	-62.8%	-13.6%
Grants & subsidies	146 043	151 388	116 115	20.5%	23.3%
	532 674	561 759	541 165	-1.6%	3.7%
Employee related costs	201 998	202 057	192 826	4.5%	4.6%
Provision for working capital					
Repairs and maintenance	104 499	105 165	94 776	9.3%	9.9%
Bulk purchases	75 374	75 374	76 382	-1.3%	-1.3%
Other expenditure	169 312	198 228	137 479	18.8%	30.6%
	551 182	580 824	501 462	9.0%	13.7%
Service charges: Electricity	85 712	86 762	87 904	-2.6%	-1.3%
Grants & subsidies: Electricity	6 831	7 201	3 320	51.4%	53.9%
Other revenue: Electricity					
	92 543	93 963	91 224	1.4%	2.9%
Employee related costs: Electricity	6 727	6 727	6 760	-0.5%	-0.5%
Provision for working capital: Electricity					
Repairs and maintenance: Electricity	4 364	3 720	2 150	50.7%	42.2%
Bulk purchases: Electricity	58 734	58 734	61 540	-4.8%	-4.8%
Other expenditure: Electricity					
	69 825	69 181	70 449	-0.9%	-1.8%
Service charges: Water	72 708	66 897	72 368	0.5%	-8.2%
Grants & subsidies: Water	15 035	15 852	14 775	1.7%	6.8%
Other revenue: Water					
	87 743	82 749	87 143	0.7%	-5.3%
Employee related costs: Water	11 053	11 053	9 845	10.9%	10.9%
Provision for working capital: Water					
Repairs and maintenance: Water	4 583	4 583	3 874	15.5%	15.5%
Bulk purchases: Water	16 640	16 640	14 842	10.8%	10.8%
Other expenditure: Water					
	32 276	32 276	28 561	11.5%	11.5%
					Txxx

5.8 SOURCES OF FINANCE

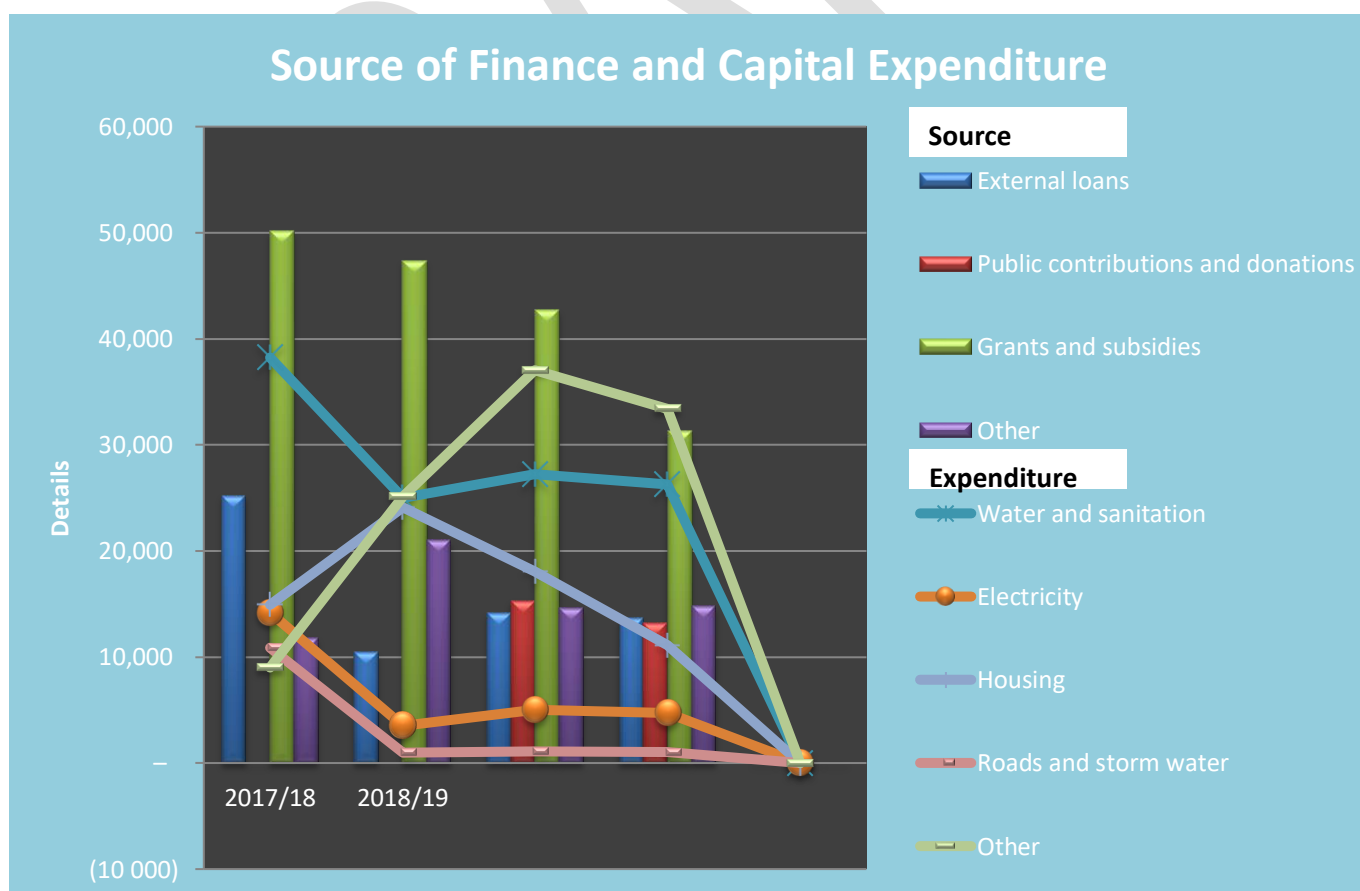
Capital Expenditure - Funding Sources Year 2017 to 2019							
R' 000							
Details	2017/18	2018/19					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	25,241	10,420	14,145	13,695	35.74%	31.43%	
Public contributions and donations	0	0	15 301	13 213	0.00%	0.00%	
Grants and subsidies	50,145	47,348	42,738	31,319	-9.74%	-33.85%	
Other	11,828	20,988	14,570	14,761	-30.58%	-29.67%	
Total	87,214	78,756	86,754	72,989	10.16%	-32.09%	
Percentage of finance							
External loans	28.9%	13.2%	16.3%	18.8%	352.0%	-97.9%	
Public contributions and donations	0.0%	0.0%	17.6%	18.1%	0.0%	0.0%	
Grants and subsidies	57.5%	60.1%	49.3%	42.9%	-95.9%	105.5%	
Other	13.6%	26.6%	16.8%	20.2%	-301.1%	92.4%	
Capital expenditure							
Water and sanitation	38,226	25,023	27,216	26,298	8.76%	5.10%	
Electricity	14,183	3,515	5,005	4,696	42.39%	33.61%	
Housing	14,937	24,100	18,085	11,112	-24.96%	-53.89%	
Roads and storm water	10,865	,977	1,118	1,008	14.40%	3.12%	
Other	9,002	25,141	37,036	33,419	47.31%	32.93%	
Total	87,214	78,756	88,460	76,533	87.91%	20.86%	
Percentage of expenditure							
Water and sanitation	43.8%	31.8%	30.8%	34.4%	10.0%	24.4%	
Electricity	16.3%	4.5%	5.7%	6.1%	48.2%	161.1%	
Housing	17.1%	30.6%	20.4%	14.5%	-28.4%	-258.3%	
Roads and storm water	12.5%	1.2%	1.3%	1.3%	16.4%	15.0%	
Other	10.3%	31.9%	41.9%	43.7%	53.8%	157.8%	
						T5.6.1	

5.8.1 COMMENT ON SOURCES OF FUNDING

Expenditure for the provision of free basic services from the Equitable Share Grant is incurred on a monthly basis. Expenditure in respect of the Finance Management Grant and MIG, are incurred in accordance with business plans. Expenditure in respect of the Low Cost Housing is once off payments and are done in accordance with claims submitted to either Provincial or National Government

The municipality financed the largest part of its capital expenditure through grant funding (42.96%) once again indicating the municipalities reliance on grant funding. The rest of the capital expenditure was funded from own funds and external loans. The variance between original budget, adjustment budget and actual budget is largely attributable to the following factors. Grant funding roll-overs are only approved after the original budget has been approved, the municipality therefore cannot include this in its original budget because of the uncertainty of rollover approval. MFMA clearly states that revenue can only be raised from realistically anticipated revenue. Secondly the municipality anticipated that it would finance a larger part of its capital expenditure through external loans, however due to the large cost of borrowing in South Africa, the municipality decided to utilize its own funds from the capital replacement reserve.

The capital expenditure represents 17.55% of the total expenditure. This is once again because the municipality largely relies on grant funding for capital expenditure and the largest portion of its own funds is utilized to finance operational activities of the municipalities.



5.9 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year: 2018/19			Variance Current Year: 2018/19	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Capital - Villiersdorp Resource Centre	0	13 570	11 800	0%	13%
Capital - Waste Water Treatment Works Upgrade	10 230	11 794	11 769	-15%	0%
Capital Waste Drop off	3 690	5 032	5 032	-36%	0%
Capital Transfer Station	4 193	4 163	285	93%	93%
Capital - Low Cost Housing Project: Botrivier Beaumont Land acquisition	3 690	5 032	1 187	68%	76%
<i>* Projects with the highest capital expenditure in Year 2018/19</i>					
Name of Project - A	Capital - Villiersdorp Resource Centre				
Objective of Project	Providing a centre with resources for the citizens of Villiersdorp				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B	Capital - Waste Water Treatment Works Upgrade				
Objective of Project	Upgrading the waste water treatment works for sanitary reasons.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C	Capital Waste Drop off				
Objective of Project	Offers citizens access to drop off recyclables as well as bulky waste.				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D	Capital Transfer Station				
Objective of Project	Where distances for internal and external refuse collection service providers are too far to travel, a transfer station is used to offload waste				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - E	Capital - Low Cost Housing Project: Botrivier Beaumont Land acquisition				
Objective of Project	Provide citizens with low cost housing opportunity.				
Delays					
Future Challenges					
Anticipated citizen benefits					

5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.10.1 INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Municipal Infrastructure Grant (MIG)* Expenditure 2018/19 on Service backlogs

R' 000						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport	4,912	978	978	-402%	0%	
<i>Roads, Pavements & Bridges</i>	877	978	978	10%	0%	
<i>Storm water</i>	4,035	–	–			
Infrastructure - Electricity	0	0	0	0%	0%	
<i>Generation</i>						
<i>Transmission & Reticulation</i>						
<i>Street Lighting</i>	0	0	0	0%	0%	
Infrastructure - Water	2,131	2,131	2,101	-1%	-1%	
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>	2,131	2,131	2,101	-1%	-1%	
Infrastructure - Sanitation	11,164	9,751	9,751	-14%	0%	
<i>Reticulation</i>	4,222	2,809	2,809	0%	0%	
<i>Sewerage purification</i>	6,941	6,941	6,941	0%	0%	
Infrastructure - Other	7,883	9,195	9,195	14%	0%	
<i>Waste Management</i>	7,883	9,195	9,195	14%	0%	
<i>Transportation</i>						
<i>Gas</i>						
<i>Other Specify:</i>	–	–	–			
<i>Cemetery</i>	–	–	–	0%	0%	
<i>Sport</i>						
Total	26,089	22,054	22,024	-18%	0%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.8.3

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

There has been an improvement in the overall cash position of the municipality as a result of a cash based budget and improved cash management, increased debt collection rate as well as more cost reflective tariffs.

The municipality's cash position improved from 2017/18 financial year from 63,901m to R130, 5940m, an increase of R67, 039m. The municipality's cash position during the 2018/19 financial year amounts to R130, 940m at 30 June 2019.

5.11 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	2017/18	Current Year: 2018/19		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	280 620	301 628	288 467	321 119
Government - operating	100 521	146 043	141 189	145 285
Government - capital	50 145	47 348	39 813	34 341
Interest	8 157	13 086	19 435	10 457
Dividends				
Payments				
Suppliers and employees	(332 056)	(441 358)	(416 971)	(372 222)
Finance charges	(9 576)	(12 783)	(12 783)	(8 683)
Transfers and Grants	(2 476)	(232)	(347)	(2 642)
NET CASH FROM/(USED) OPERATING ACTIVITIES	95 335	53 731	58 805	127 656
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	295	0	0	780
Decrease (Increase) in non-current debtors	0			
Decrease (increase) other non-current receivables	0	1	15	-
Decrease (increase) in non-current investments	(924)			(932)
Payments				
Capital assets	(86 942)	(78 756)	(73 261)	(63 349)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(87 571)	(78 754)	(73 247)	(63 501)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	0			
Borrowing long term/refinancing	-	10 420	14 145	10 420
Increase (decrease) in consumer deposits	3	290	282	(82)
Payments				

Repayment of borrowing	(8 189)	(8 463)	(9 235)	(7 454)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8 187)	2 247	5 192	2 885
NET INCREASE/ (DECREASE) IN CASH HELD	(423)	(22 776)	(9 250)	67 040
Cash/cash equivalents at the year begin:	64 323	41 611	63 901	63 901
Cash/cash equivalents at the year end:	63 901	18 835	54 651	130 940
Source: MBRR SA7				T5.9.1

5.11.1 COMMENT ON CASH FLOW OUTCOMES

As can be seen from the above cash flow statement TWK is not facing any real cash flow problems as at 30 June 2019. However it is important that this position is maintained and improved. The largest contributors to municipal cash are ratepayers, government grants and subsidies.

The revenue collection rate for Theewaterskloof municipality as at June 2019 is 89%. This is an area where we will focus our attention and energy in order to become financially sustainable to enable the municipality to provide services. The municipality will strive to improve its cash position in 2019/20.

The municipality will embark on a public relations and awareness campaign to encourage payment for municipal services and rates, improve the relationship between the municipality and stakeholders and develop educational tools to change the culture surrounding the payments of municipal accounts. The project is currently in progress.

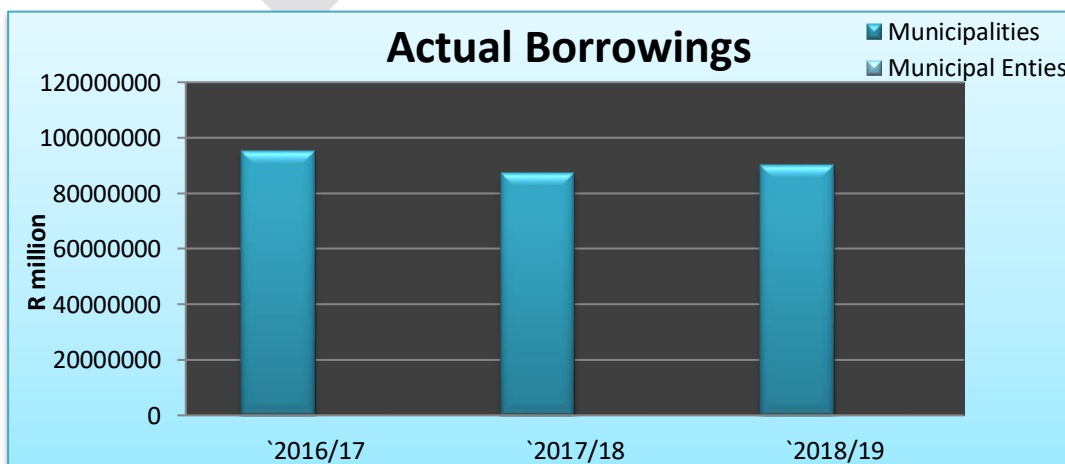
5.12 BORROWING AND INVESTMENTS

Any growing urban area requires substantial investments in infrastructure, and there are very few municipalities who receive enough in capital grants from national governments to finance all their requirements. This shortfall requires that municipalities look for alternative funding sources, or face the prospect that infrastructure backlogs become insurmountable, with serious negative implications for the quality of life and the economic growth of the urban area.

One of these funding sources is to take up loans. Although taking up loans is an acceptable alternative financing source, particularly for huge infrastructure projects, the cost of credit must be considered and one has to strike a balance between community needs and affordability. It should always be remembered that the decision on loans today could pose major affordability risks for future generations.

As already alluded to elsewhere in this report, the municipality made a conscious decision that loans will only be taken up as a measure of counter funding or in circumstances where the capital investment will yield sufficient additional revenue to cover the debt servicing costs. The municipality continue to strive to maintain its external loan exposure within the prudential limits of 40% of own revenue. Long term liabilities increased in 2018/19, and it remains within the 40% limit. Borrowings reduced from R 95,389 m in 2016/17 to R 87,200 in 2017/18 and increased during the 2018/19 financial year to R90, 166m.

Actual Borrowings 2016 to 2019			
			R' 000
Instrument	2016/17	2017/18	2018/19
<u>Municipality</u>			
Long-Term Loans (annuity/reducing balance)	78,215	70,177	73,143
Long-Term Loans (Stock loans)	17,023	17,023	17,023
Local registered stock			
Instalment Credit			
Financial Leases	151	—	—
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	95,389	87,200	90,166
<u>Municipal Entities</u>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (Stock loans)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total			
			T5.10.2



The municipality has an amount of R 43,415 million on call account investments, a fixed deposit of R 12,353 million and Sanlam Share Investment of R 216 thousand as illustrated in the table below. The municipality's bank account per bank statement reflects a positive balance as at the end of June 2019.

Municipal and Entity Investments			
	R' 000		
Investment type	2016/17	2017/18	2018/19
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	49,678	53,224	55,983
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	49,678	53,224	55,983
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	–	–	–
Consolidated total:	49,678	53,224	55,983
			T5.10.4

5.13 PUBLIC PRIVATE PARTNERSHIPS

The municipality currently have no public private partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 SUPPLY CHAIN MANAGEMENT

Supply chain management is perhaps one of the most challenging legislative requirements due to the lack of human resource capacity as well as the uncertainty with regards to the interpretation and implementation of legislation. This could result in underspending of the capital budget which will directly affect the municipality's ability to achieve its strategic objective of service delivery. Despite all the challenges, it can be stated that the municipality was successful in the implementation of the regulations and SCM policy.

MFMA Competency Regulations

The supply chain management unit consist of 6 permanent employees of which one (Manager SCM) must comply with the MFMA competency regulations. The aforementioned employee complies with the said regulations and the municipality intend to ensure that the accountant in the department complies with these regulations, this is important to ensure effective succession planning.

5.15 GRAP COMPLIANCE

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

CHAPTER 6 – AUDITOR GENERAL

AUDIT FINDINGS

REPORT OF THE AUDITOR-GENERAL TO WESTERN CAPE PROVINCIAL PARLIAMENT AND COUNCIL ON THEEWATERSKLOOF MUNICIPALITY 2017/18 (PREVIOUS YEAR)

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Theewaterskloof Municipality set out on pages 4 to 83, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Theewaterskloof Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors discovered during the 2017-18 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2018.
8. As disclosed in note 51 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of municipal standard chart of accounts (mSCOA) reclassifications in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Material impairments

9. As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R126,3 million (2016-17: R105,9 million).
10. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R75,8 million (2016-17: R54,4 million).

Underspending of capital budget

11. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the capital asset budget by R43,3 million, which represents an underspending of 33%. This was as a result of housing funds which were transferred to the municipality during the latter part of the financial year and therefore the funding could not be fully spent by year-end.

Matters important to the users of the financial statements

12. With reference to note 65 to the financial statements, the municipality has lodged a dispute in respect of the tariff charged by Overberg Water Board regarding a capital levy. The dispute has been referred to the National Treasury.

Other matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters

Unaudited supplementary schedules

14. The supplementary information set out on pages 84 to 92 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon

Responsibilities of the accounting officer for the financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the Theewaterskloof Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic focus areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic focus areas presented in the annual performance report of the municipality for the year ended 30 June 2018:

Strategic focus areas	Pages in the annual performance report
Strategic focus area 4: Basic service delivery	82 to 114

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. There were no findings in respect of the usefulness and reliability of the reported performance information for the following strategic focus areas:
- Strategic focus area 4: Basic service delivery

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. Refer to the annual performance report on pages 82 to 114 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

27. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of *Strategic objective 4: basic service delivery*. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

Procurement and contract management

29. Some of the quotations were awarded to bidders based on preference points that were not calculated and allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.

Other information

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected strategic focus areas presented in the annual performance report that have been specifically reported on in the auditor's report.
31. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
32. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic focus areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.
34. I have nothing to report in this regard.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

Oversight responsibility

36. Leadership did not ensure that all the supply management processes implemented are adhered to in terms of the Preferential Procurement Policy Framework Act. This led to a regression in the audit outcomes.

Financial and performance management

Compliance monitoring

37. Management incorrectly interpreted the requirements of the Preferential Procurement Policy Framework Act and its regulations with regard to price calculations where non-VAT vendors submitted quotations.

Other reports

38. I draw attention to the following engagement conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
39. The municipality commissioned an IT investigation due to malware attacks on its IT infrastructure. The investigation was carried out by a private forensic firm. The last malware attack was experienced on 17 May 2017 to which the municipality subsequently initiated the investigation. The period of the investigation spanned over multiple prior financial years starting from when possible causes of the attacks were traced. The investigation has subsequently been concluded and will be tabled to the council as soon as due processes have been finalised by the municipality.

Auditor-general

Cape Town

30 November 2018



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

DRAFT

REPORT OF THE AUDITOR-GENERAL TO WESTERN CAPE PROVINCIAL PARLIAMENT AND COUNCIL ON THEEWATERSKLOOF MUNICIPALITY 2018/19 (CURRENT YEAR)

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Theewaterskloof Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Theewaterskloof Municipality set out on pages 313 to 406, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the position of the Theewaterskloof Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act no. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act no. 1 of 2018) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants*, and parts 1 and 3 of the International Ethics Standards Board for Accountants' *international code of ethics for professional accountants (including International Independence Standards)* (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of errors identified during the 2018-19 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2019.

8. As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of reclassification of expenditure by nature in the financial statements of the municipality at, and for the year ended, 30 June 2019.

Material impairments

9. As disclosed in note 3 to the financial statements, the municipality, provided for the impairment of service receivables from exchange transactions amounting to R144,9 million (2017-18: R126,3 million).
10. As disclosed in note 4 to the financial statements, the municipality, provided for the impairment of receivables from non-exchange transactions amounting to R70,8 million (2017-18: R75,8 million).

Underspending of capital budget

11. As disclosed in the statements of comparison of budget and actual amounts, the municipality materially underspent the capital asset budget by R11,9 million (2017-18 R43.3 million) which represents and underspending of 13,5% (2017-18 33%).

Underspending of the conditional grant

12. As disclosed in note 25.08 to the financial statements, the municipality underspent its conditional grant: water and sanitation by R28 919 000.

Other matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure note

14. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, we do not express an opinion on it.

Unaudited supplementary schedules

15. The supplementary information set out on pages 86 to 94 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

20. In accordance with the Public Audit Act of South Africa, 2004 (Act no. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2019:

Key Performance Area	Pages in the annual performance report
Basic service delivery	94 to 100, 102, 104, 106, 108 to 110, 117 to 121, 123 to 124

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of

the reported performance information to determine whether it was valid, accurate and complete.

24. I did not raise any material findings on the usefulness and reliability of the reported performance information for this Key Performance Area.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

Refer to the annual performance report on pages 94 to 100, 102, 104, 106, 108 to 110, 117 to 121, 123 to 124 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation **Introduction and scope**

27. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
28. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected Key Performance Area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. If based on the work I have performed, I conclude that if there is a material misstatement in this other information, I am required to report that fact.

33. I have nothing to report in this regard.

Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

30 November 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

DRAFT

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected Key Performance Area and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Theewaterskloof Municipality ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the [accounting officer/ accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

AUDIT ACTION PLAN, CORRECTIVE MEASURES TAKEN OR TO BE TAKEN IN RELATIONS TO ISSUES RAISED IN THE AUDIT REPORT

The Audit Action plan is the document that contain all corrective actions taken or to be taken in relation to issues raised in the Auditors General report as required by section 121(3) (g) of the MFMA.

The municipality obtained a clean audit, however an action plan will be compiled and tabled in council in January 2020 containing corrective actions realigning to the issues raised by the Auditor General.

The Audit action plan will then be included in the final annual report.

DRAFT

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Comment on MFMA Section 71 Responsibilities

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National and Provincial Treasury at specified intervals throughout the year. The Chief Financial Officer states that not all these data sets have been returned according to the reporting requirements since numerous non-compliance schedule had to be completed:

The fundamental reason for not being able to comply with the reporting requirements (within 10 working days as prescribed by the Municipal Finance Management Act, Act 56 of 2003) was due to the implementation of the new financial system to address the Municipal Standard Chart of Accounts (mSCOA) requirements. The financial system had difficulty generating the reports in the required formats.

All reports for the financial year were submitted.

Signed (Chief Financial Officer).....Dated.....

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation

Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	Ward Represented/ Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
D DU TOIT	FT	None	Ward Represented	85%	15%
C VOSLOO	FT	Executive Mayoral Committee	Party Represented	100%	0%
D APPEL (Resigned on 28/09/18)	PT	Technical Services	Party Represented	95%	5%
J ARENDSE	FT	Organizational Development Committee	Ward Represented	100%	0%
M BHANGAZANA	PT	Operations Committee	Ward Represented	80%	20%
R BRINKHUYS	PT	Technical Services; Operations Committee	Ward Represented	95%	5%
S FREDERICKS	PT	Finance Committee	Party Represented	85%	15%
D JOOSTE	PT	Development Services Committee	Ward Represented	100%	0%
M KOEGELENBERG	FT	Finance Committee	Ward Represented	95%	5%
C LAMPRECHT	PT	Finance Committee; Technical Services Committee	Ward Represented	90%	10%
M LE ROUX	PT	Organizational Development Committee; Development Services Committee	Party Represented	80%	20%
T MANGCAYI	PT	Organizational Development Committee	Party Represented	65%	35%
A MENTILE	PT	Organizational Development Committee	Ward Represented	80%	20%
R MIENIES	PT	Financial Services Committee	Party Represented	65%	35%
T NDLEBE	PT	Human Settlements Committee	Ward Represented	100%	0%

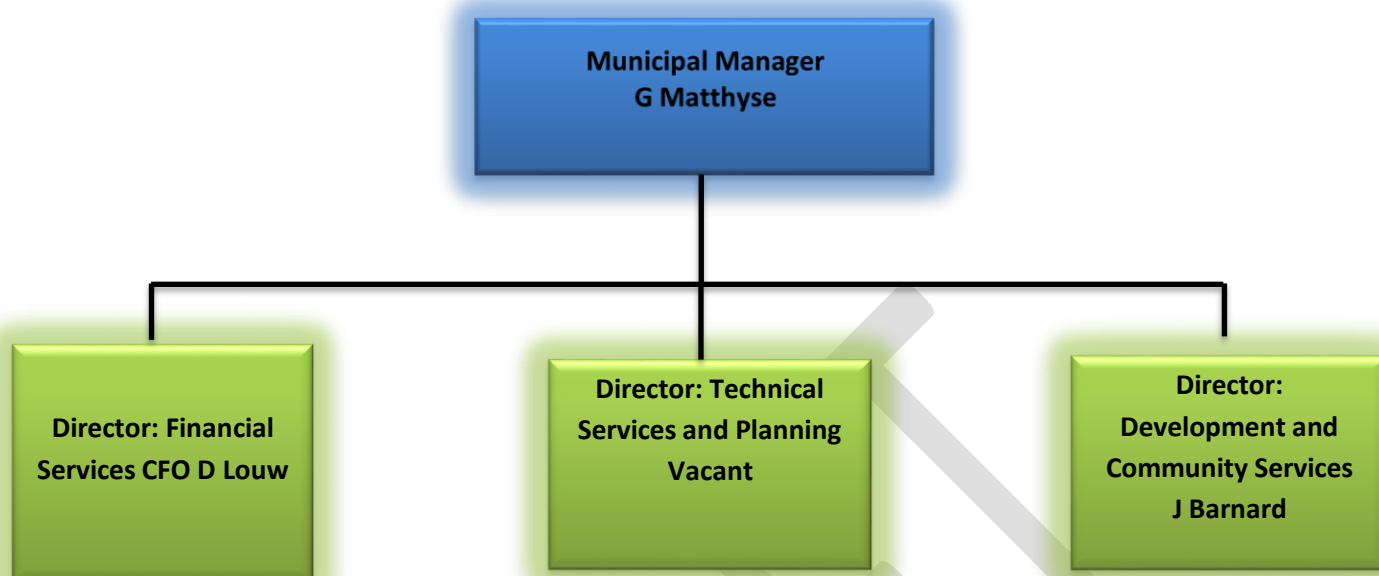
C NOVEMBER	PT	Financial Services Committee; MPAC	Party Represented	100%	0%
K PAPIER	FT	Technical Services Committee	Party Represented	100%	0%
N PIETERSE	PT	Organizational Development Services; Operations Committee	Ward Represented	100%	0%
M PLATO-MENTOOR	FT	Development Services Committee	Ward Represented	95%	5%
S POTBERG	PT	Human Settlements Committee	Ward Represented	85%	15%
I SILEKU (Resigned on 17/05/19)	FT	Human Settlements Committee	Party Represented	100%	0%
U SIPUNZI	PT	Technical Services Committee; Human Settlements Committee	Ward Represented	85%	15%
P STANFLIET	FT	Operations Committee	Ward Represented	85%	15%
H SYSTER	PT	Development Services Committee; Operations Committee	Party Represented	85%	15%
B TSHABE	PT	Organizational Development Services; Development Services Committee	Party Represented	100%	0%
T TSHUNGWANA	PT	Technical Services Committee	Party Represented	85%	15%
C WOOD	PT	Development Services Committee; Operations Committee	Party Represented	75%	25%
MR NONGXAZA	PT	Technical Services Committee	Party Represented	95%	15%
N MGQWETO (started 12/06/2019)	PT	Not yet represented on Portfolio Committee at the time of Year end	Party Represented	100%	0%
Note: *Councillors appointed on a proportional basis do not have wards allocated to them					T A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Performance and Audit Committee	The Performance and Audit Committee is an assurance provider to Council that evaluates the effective, efficient and transparent systems of financial and risk management and internal control that are maintained by the Council, which contribute to the efficient and effective utilisation of resources, safeguarding of assets and the accomplishments of established goals for operations or programs
Oversight Committee	Undertake a review and analysis of the annual report; invite, receive and consider inputs from Councillors and Portfolio committees on the Annual Report; Consider written comments received on the Annual Report from the public consultation process, Conduct public hearings to allow the local community or any organs of state to make representations on the Annual report; Receive and consider Councils' Performance and Audit Committee views and comments on the annual financial statements and the performance report; preparation of the draft Oversight report; taking into considerations the views and inputs of the public, representatives of the Auditor-General, Organ of State, Council's Performance and Audit Committee and Councillors
Risk Management Committee	The Risk Management committee is responsible for assisting the Accounting Officer in addressing his oversight requirements of risk management and evaluating and monitoring the institution's performance with regards to risk management. The Risk Management committee is appointed by the Accounting officer and its role is to formulate, promote and review the institution's ERM objectives, strategy and policy to monitor the process at strategic, management and operational levels.
Combined Management, Speaker and Executive Mayoral Committee	To share information, to obtain input from Politicians and determine policy direction
Management Committee	To deal with and consider various managerial aspects and items
Portfolio Committees	As per legislation

Municipal Committees	Purpose of Committee
ICT Committee	<p>The purpose of this is to establish an ICT Steering committee to govern and be accountable for the municipality's ICT environment and ensure that ICT conforms to legislation. The committee will advise in terms of an oversight role to Management/ Council on all matters relating to ICT and be responsible for: i) the investigating, considering and steering of high level/ impact ICT projects; ii) The prioritising of proposed high level projects; iii) The constant reviewing of approved projects; iv) Facilitating the achievement of optimal ICT management; v) Enhancing the understanding and satisfaction with the value of ICT investments; vi) Encouraging constituent ownership of ICT projects and endorsement of ICT policies; vii) Fusing the ICT and business strategies, goals and resources and achieving competitive advantage through ICT; viii) Encouraging collaborative work environment and fosters trust via mutual credibility and responsiveness; ix) The revision of the draft ICT budget and budget processes; x) Mediating conflicts in priorities and/ or departmental perspectives that may not be in the best interest of the Municipality</p>
Municipal Planning Tribunal	<p>Decision making authority on land use applications as per Council's approved categorisation of land use decisions.</p>
Financial Sustainability	<p>This committee does not exist anymore</p>
Ward Committees	<p>The Ward Committee is the official liaison mechanism on all municipal matters within the community. The ward committees assist in the drafting of the Ward IDPs and Budget. They review the community input and participate in the Town Advisory Forum. The ward committee is also responsible for reviewing and approving the Service Level Agreements. They make recommendations to Council reports. They should report back to their constituencies on issues discussed at the ward committee meetings</p>
Town Advisory Committees	<p>The Town Advisory Forum meets when the ward committee's input is needed for a town as a whole. The role and function of the TAF is to advise and make recommendations to Council on behalf of the community within their respective wards on matters pertaining the IDP, Budget, Service delivery and developmental projects within the town. The TAF is the official body which the Municipality will liaise with regarding the matters affecting the entire town</p>

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE



APPENDIX D – FUNCTIONS OF MUNICIPALITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<u>Constitution Schedule 4, Part B functions:</u>		
Air pollution	Yes	No
Building regulations	Yes	No
Child care facilities	Yes	No
Electricity and gas reticulation	Yes	No
Firefighting services	No	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	No	No
Municipal public transport	Yes	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
<u>Constitution Schedule 5, Part B functions:</u>		
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	Yes	No
<i>Continued next page</i>		

<i>Continued from previous page</i>		
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		T D

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
One (1)	COUNCILLOR S POTBERG	Yes	9	22	2
	A Appel				
	C Sadenbergh				
	E Mouries				
	R Hermanus				
	P Stander				
	A Mouton				
	T Hermanus				
	C Lottering				
	H Sauls				
	F Roux				
Two (2)	ALDERMAN D DU TOIT	Yes	9	25	7
	J Kroukamp				
	R Martin				
	R Rouillard				
	P Adams				
	V Jansen				
	C Barthus				
	W Beukman				
	G Juries				
	A White				
	G Emslie				
Three (3)	COUNCILLOR J ARENDSE	Yes	4	0	3
	E Magerman				
	Y van Tonder				
	A Davids				
	M Booysen				
	S Swartz				
	K Hoffman				
	C Benjamin				
	L Freeman				
	J Paulsen				

Four (4)	COUNCILLOR M KOEGELENBERG	Yes	4	0	2
	J Brinkhys				
	N Jende				
	J de Waal				
	J Norval				
	M Wessels				
	J de Witt				
	G Siza				
	D du Toit				
	J Hauman				
Five (5)	COUNCILLOR C LAMPRECHT	Yes	10	11	3
	L Jonase				
	N Pali				
	J Smith				
	J Mckenzie				
	C Nel				
	B Bester				
	F Matheone				
	J Nicolls				
	R Jansen				
	H Schoeman				
	M de Lange				
Six (6)	COUNCILLOR R BRINKHYS	Yes	10	0	3
	E Jansen				
	T Vali				
	R Antonie				
	G Engelbrecht				
	H Blignaut				
	J Nicolls				
	J Mckenzie				
	V Hendricks				
	H Schoeman				
Seven (7)	ALDERMAN P STANFLIET	Yes	5	0	2
	M Goniwe				
	C Afrika				
	I Andries				
	H Pitcher				
	M Ngakana				
	H Hendricks				
	J Faroa				
	E Herman				

Eight (8)	COUNCILLOR A MENTILE	Yes	5	2	0
	L Khathatsho				
	J Kock				
	I Ludziya				
	A Bovungana				
	X Nonjiko				
	E Gertse				
	D Williams				
	T Xhego				
	N Klaasen				
	O Silimela				
Nine (9)	COUNCILLOR D JOOSTE	Yes	5	0	3
	M Koelman				
	N Fortuin				
	E Wagenaar				
	B Engelbrecht				
	D Johannes				
	A Hanekom				
	J Jooste				
	I Kortje				
	H Botha				
	H Schoeman				
Ten (10)	COUNCILLOR M PLATO- MENTOOR	Yes	5	0	2
	F Quinton				
	C Januarie				
	L Hendricks				
	E Koopman				
	B Snyders				
	J de Bruin				
	J Hutton-Squire				
	E Williams				
	B Noble				
	J Delpont				
Eleven (11)	COUNCILLOR T NDELEBE	Yes	5	0	1
	C Gertze				
	E Skey				
	S Mxhuma				
	Z Saziwa				
	P Mcetwa				
	A Matheone				

	S Jonas				
	J Nganyatsi				
	P Mzolisa				
Twelve (12)	COUNCILLOR U SIPUNZI	Yes	5	6	5
	W Nomxhanya				
	C Absalom				
	P Speelman				
	L Madizeni				
	L de Bruyn-Davids				
	S Ninon				
	M Ritcher				
	T Zacharia				
Thirteen (13)	COUNCILLOR M BHANGANZANA	Yes	5	6	1
	N Mchasa				
	M Thobiganya				
	S Maziza				
	U Mtoko				
	J Fourie				
	D de Wee				
	G Pedro				
	A Julies				
	T Langa				
	T Nomshuva				
Fourteen (14)	COUNCILLOR N PIETERSE	No	3	0	1
	N Fredericks				
	O Parnell				
	J Fillies				
	F Oppelt				
	I Kortje				
	I Kortje				

APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest in 18/2019

				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
1	Upgrading of the Caledon Waste Water Treatment Works, Phase 2	2019/02/13	2019/12/15	R 15,866,165.95
2	Operation of Caledon and Landfill and Transport of Containerised Municipal Solid Waste from 01 July 2018 to 30 June 2021	2018/09/10	2021/06/30	R 15,725,632.04
3	Re-arrangement of the Caledon Ultrafiltration Treatment Plants	2019/05/16	2022/05/16	R 14,096,700.00
4	Upgrading of the Bulk Electrical Supply and Internal Electrification for the Destiny Development in Villiersdorp	2019/06/04	2019/06/30	R 9,407,875.85
5	Construction of Riviersonderend Solid Waste Transfer Station and Material Recovery Facility - Phase 1	2019/02/11	2020/04/30	R 7,166,023.46
6	Provision of Professional Services: Transfer Facility and Material Recovery Facility for Caledon and Riviersonderend and the Closure and Rehabilitation of Caledon and Riviersonderend Landfills	2019/06/28	2022/06/30	R 6 798 338.06
7	Construction of the Caledon Solid Waste Transfer Station and Material Recovery Facility	2019/01/28	2019/06/30	R 6 803 786.42
				T F.1

¹⁴Proportion of Households with minimum level of Basic services

	2015/16	2016/17	2017/18	2018/19
Electricity service connections	100%	100%	100%	100%
Water - available within 200 m from dwelling	100%	100%	100%	100%
Sanitation - Households with at least VIP service	97%	97%	97%	97%
Waste collection - kerbside collection once a week	100%	100%	100%	100%

¹⁴ Within Municipal area exclude Farm electricity excluded households

SERVICE DELIVERY PRIORITIES FOR WARD

TOWN	WARD	PRIORITY
RSE	ward 1	Availability of land/erven -intergration
RSE	ward 1	Speed humps in Thorpestraat
RSE	ward 1	Upgrading of streets: Marais-, Fullard-,Gousblom- and Freesiastreet
RSE	ward 1	information boards, e.g. schools, museum etc.
RSE	ward 1	Traffic Law Enforcement Riebeeck ave – Tanqua Voere stop street at De kock street and possible traffic sign (no exhaust brakes)
Greyton/Gen	ward 2	Water security
Greyton/Gen	ward 2	Service Plots 595
Greyton/Gen	ward 2	LED
Greyton/Gen	ward 2	Serviced Plots In Stead Of Provision Of Rdp Houses(In Process)
Greyton/Gen	ward 2	Transformation Process To Be Finalised - Sewage
Greyton/Gen	ward 2	Children Who Do Not Progress In School(Kinders Wat Uit Die Skoolsisteen Gesit Word - Development School/Skills Development - Repositioning Of Greyton As Technology Hub
Caledon	ward 3	Middelton – Roads Storm water (skuldbuld)
Caledon	ward 3	Sport field: Fencing & lights Middelton; Ablution facilities Soccer/Rugby multipurpose/cricket pitch caledon
Caledon	ward 3	Accessibility to graveyards
Caledon	ward 3	Housing ward 3
Caledon	ward 3	upgrade nature reserve - use as information point
Caledon	ward 3	upgrade roads
Caledon	ward 3	create investment friendly environment
Caledon	ward 3	Recycling
Caledon	ward 4	Taxi rank in informal area
Caledon	ward 4	One on one services in informal area.
Caledon	ward 4	upgrade nature reserve
Caledon	ward 4	develop industrial erven - Klipheuwel

Caledon	ward 4	Recycling
Caledon	ward 4	Upgrading Of Roads
Caledon	ward 4	Municipal Court
Caledon	ward 4	Property for churches
Villiersdorp	ward 5	Poor Police services – increase quality of policing
Villiersdorp	ward 5	ECD Centre – Radyn/ Kaaimansgat
Villiersdorp	ward 5	Community Hall/multipurpose center
Villiersdorp	ward 5	Clinic
Villiersdorp	ward 5	Pavilion Sportsfield
Villiersdorp	ward 6	Sypaadje & inritte (nuwedorp)
Villiersdorp	ward 6	Gemeenskap saal/multipurpose center
Villiersdorp	ward 6	Paviljoen – sportgrond
Villiersdorp	ward 6	Toilette – Destiny, westside and lower west side
Villiersdorp	ward 6	Development Market Place
Botriver	ward 7	Vehicle replacement fund
Botriver	ward 7	Review of tariff structure and administration conducive to development
Botriver	ward 7	Eradication of Conservancy tanks
Botriver	ward 7	Replacement of ageing infrastructure (water pipes)
Botriver	ward 7	Development of emerging farmers – land
Botriver	ward 7	Expanding of community hall
Botriver	ward 7	Stormwater/skema. Fase 1
Botriver	ward 7	Upgrading of sportsfield
Grabouw	ward 8	Zola- Storm water canal upgrade
Grabouw	ward 8	Community Hall
Grabouw	ward 8	Land for churches
Grabouw	ward 8	Play Park upgrade/Rooidakke Industrial
Grabouw	ward 8	Soccer field
Villiersdorp	ward 9	Housing
Villiersdorp	ward 9	Employment opportunities/study/training opportunities
Villiersdorp	ward 9	Land for small farm opportunities (small farmers)
Villiersdorp	ward 9	Drug abuse and alcohol abuse prevention
Villiersdorp	ward 9	GAP housing

Grabouw	ward 10	Parking Shoprite / river
Grabouw	ward 10	Farm Owners Willing To Assist Workers With Housing –TWK To Supply Land
Grabouw	ward 10	GAP Housing Opportunities For Farm Workers
Grabouw	ward 10	Opposed To The Application Of Liquor Store In Main Road / Old Allens Building
Grabouw	ward 10	Employment Opportunities For Young People On Farms / Skills Development
Grabouw	ward 11	24 Hour Health Care Facility (Upgrade Day Hospital)
Grabouw	ward 11	Heights Informal Settlement Toilets And Provision Of Water
Grabouw	ward 11	Beverly Hills Restoration Of RDP Houses (Bad Condition)
Grabouw	ward 11	Plan To Address The Housing Crisis Water Works And Beverly Hills (1st Squatter Camp)
Grabouw	ward 11	Illegal Shibeens/Taverns – Law Enforcement – Threat To Social (Beverly Hills) Development
Grabouw	ward 12	Community Hall
Grabouw	ward 12	Tarring Of Streets
Grabouw	ward 12	Electricity: Hillside
Grabouw	ward 12	Upgrade/Extend RDP Houses (Xola Naledi & Melrose)
Grabouw	ward 12	Stormwater: Slangpark – Blaauwcloose Dupond.
Grabouw	ward 13	Expansion Of Clinic
Grabouw	ward 13	Community Hall (Bosbou Waterwese En Melrose)
Grabouw	ward 13	Reparation Of Houses In Siteview
Grabouw	ward 13	Land For Churches
Grabouw	ward 13	Highmass Lighting Stanley Shuma Street
Grabouw	ward 14	Tourism / Clean Town / Investment
Grabouw	ward 14	Sports Facility Centre
Grabouw	ward 14	Re-Establishment Of Weir In The Palmiet River
Grabouw	ward 14	Farm Workers Housing (TAD Partnership)
Grabouw	ward 14	Grave Yard / Forest Of Remembrance

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Date of Committee	Committee recommendations during Year 2018/19	Recommendations adopted (enter Yes) If not adopted (provide explanation)
31-Aug-18	Audit work completed and planned	Yes
31-Aug-18	Adequacy and alignment of insurance portfolio in relation to asset register audit	Yes
31-Aug-18	Solid Waste Fourth Quarter Audit	Yes
31-Aug-18	Compliance Fourth Quarter Audit	Yes
31-Aug-18	Performance Management Fourth Quarter Audit	Yes
31-Aug-18	In-migration leading to land invasions and the increase in informal settlements audit	No - Agenda item referred back for comments from the Director: Operations
31-Aug-18	AdHoc Traffic Security Investigation	Yes
31-Aug-18	2018/2019 Annual SDBIP report of the Office of the Chief Audit Executive	Yes
31-Aug-18	Status of ICT in Theewaterskloof Municipality	Yes
31-Aug-18	Quarterly Risk Management progress report from June 2018 to September 2018	Yes
31-Aug-18	Quarterly Budget Statement for the fourth quarter ending 30 June 2018	Yes
31-Aug-18	Draft Financial Statements for the year ending 30 June 2018	Yes
23-Nov-18	Audit work completed and planned	Yes
23-Nov-18	In-migration leading to land invasions and the increase in informal settlements audit	Yes
23-Nov-18	Compliance First Quarter Audit	Yes
23-Nov-18	Risk Management Audit	Yes
23-Nov-18	Safeguarding of Assets Audit	Yes
23-Nov-18	Internal Audit First Quarter Follow-up Report	Yes
23-Nov-18	Auditor General Report Follow-up	Yes
23-Nov-18	First Quarter 2018/2019 SDBIP Report of the Office of the Chief Audit Executive	Yes
23-Nov-18	Revised standard Operating Procedure: Internal Audit request for information / comments	Yes
23-Nov-18	Quarterly Budget Statement for the first quarter ending 30 September 2018	Yes
23-Nov-18	Minutes of the Fraud & Risk Management Committee Meetings	Yes
23-Nov-18	Progress report - Risk Management Implementation Plan	Yes
23-Nov-18	Performance Management First Quarter Audit	No - Agenda item referred back for management to review their comments on the findings.
18-Jan-19	AdHoc Study Bursary Audit	No - Agenda item to stand over to next meeting for discussion.
18-Jan-19	Ad Hoc Property Rentals Audit	Yes
18-Jan-19	Inventory Audit November 2018	Yes

18-Jan-19	Supply Chain Management first quarter audit	Yes
18-Jan-19	Municipal Animal Pound	Yes
18-Jan-19	Revised annual risk based internal audit plan 2018/2019	No - Agenda item referred back to be discussed with Management before submission to the Performance Audit and Audit Committee
18-Jan-19	2017/2018 Annual Report	Yes
18-Jan-19	Auditor General's report for the 2017/2018 financial year	Yes
8-Mar-19	Performance- and Audit Committee Resolutions Followed-up	Yes
8-Mar-19	Audit work completed and planned	Yes
8-Mar-19	Performance Management First Quarter Audit	Yes
8-Mar-19	AdHoc Study Bursary Audit	Yes
8-Mar-19	Solid Waste Second Quarter Audit	Yes
8-Mar-19	Performance Management Second Quarter Audit	Yes
8-Mar-19	Waste Water Treatment Audit	Yes
8-Mar-19	Internal Audit Second Quarter Follow-up Report	Yes
8-Mar-19	Revised annual risk based internal audit plan 2018/2019	Yes
8-Mar-19	Internal Audit Methodology	Yes
8-Mar-19	Second Quarter Top Layer SDBIP Report	Yes
8-Mar-19	Second Quarter SDBIP Office of the Chief Audit Executive	Yes
8-Mar-19	Minutes of the Fraud & Risk Management Committee Meetings	Yes
8-Mar-19	Progress report - Risk Management Implementation Plan	Yes
8-Mar-19	Quarterly Budget Statement for the second quarter ending 31 December 2018	Yes
8-Mar-19	The Audit Committee's role in financial analysis in municipalities	Yes
8-Mar-19	Status of ICT in Theewaterskloof Municipality	Yes
8-Mar-19	Auditor General Report Follow-up	Yes
7-Jun-19	Performance- and Audit Committee Resolutions Followed-up	Yes
7-Jun-19	Audit work completed and planned	Yes
7-Jun-19	Compliance to Acts Second Quarter Audit	Yes
7-Jun-19	Compliance to Acts Third Quarter Audit	Yes
7-Jun-19	Performance Management Third Quarter 2018/2019 Audit	Yes
7-Jun-19	Maintenance on Proclaimed Roads Audit	Yes
7-Jun-19	Supply Chain Management second quarter audit	Yes
7-Jun-19	Internal Audit Third Quarter Follow-up reports	Yes
7-Jun-19	Internal Audit Evaluations	Yes
7-Jun-19	Performance- and Audit Committee Evaluations	Yes
7-Jun-19	Annual Internal Audit Plan 2019/2020	Yes
7-Jun-19	Performance Management Third Quarter Top Layer Report	Yes

7-Jun-19	Third Quarter 2018/2019 SDBIP report of the Office of the Chief Audit Executive	Yes
7-Jun-19	Minutes of the Fraud & Risk Management Committee Meetings	Yes
7-Jun-19	Progress report - Risk Management Implementation Plan	Yes
7-Jun-19	Quarterly Budget Statement for the third quarter ending 31 March 2019	Yes
7-Jun-19	Ration Analysis Report	Yes
7-Jun-19	Status of ICT in Theewaterskloof Municipality	Yes
7-Jun-19	Auditor General Report Follow-up	Yes
7-Jun-19	Audit Action Plan for the 2017/2018 financial year	Yes
7-Jun-19	Auditor General's powers	Yes
7-Jun-19	Performance- and Audit Committee Meeting Schedule	Yes

DRAFT

APPENDIX H –CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

13 Largest Contracts Entered into Year 2018/19

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Nedbank and ABSA bank	Raising of Loans	2019/02/04	2019/06/30	Fortiun P	R 16 933 022.29
Rods Construction	Upgrading of the Caledon Waste Water Treatment Works, Phase 2	2019/02/13	2019/12/15	Marthinus H	R 15 866 165.95
Waste Carriers	Operation of Caledon and Landfill and Transport of Containerised Municipal Solid Waste from 01 July 2018 to 30 June 2021	2018/09/10	2021/06/30	Marthinus H	R 15 725 632.04
Ikusasa Water a Division of Ikusasa Chemicals (Pty) LTD.	Re-arrangement of the Caledon Ultrafiltration Treatment Plants	2019/05/16	2022/05/16	Parnell L	R 14 096 700.00
Upgrading of the Bulk Electrical Supply and Internal Electrification for the Destiny Development in Villiersdorp	Upgrading of the Bulk Electrical Supply and Internal Electrification for the Destiny Development in Villiersdorp	2019/06/04	2019/06/30	Redelinghuys M	R 9 407 875.85
Amandla Asphalt	Construction of Riviersonderend Solid Waste Transfer Station and Material Recovery Facility - Phase 1	2019/02/11	2020/04/30	Marthinus H	R 7 166 023.46
JPCE (Pty) Ltd.	Provision of Professional Services: Transfer Facility and Material Recovery Facility for Caledon and Riviersonderend and the Closure and Rehabilitation of Caledon and Riviersonderend Landfills	2019/06/28	2022/06/30	Marthinus H	R 6 798 338.06
JVZ Construction	Construction of the Caledon Solid Waste Transfer Station and Material Recovery Facility	28-Jan-19	30-Jun-19	Marthinus H	R 6 803 786.42
Lateral Unison Insurance Brokers	The Provision of Short Term Insurance for the Period from 01 July 2019 to 30 June 2022	2019/04/29	30/06/2022	Colyn J	R 5 304 161.00
CHM Vuwani Computer Solutions and DFA Solutions	Provision of Laptops to Theewaterskloof Municipality for the period from 01 February 2019 to 30 June 2021 as well as the supply and delivery of various ICT equipment	2019/03/15	2021/06/21	Hendricks N	R 5 193 052.47

Asla Construction	Provision of Professional Civil Engineering Services in Villiersdorp related to the Provision of a Bulk Water Service - Phase 2.2 in terms of the Implementing Agent Contract - Addendum 20	2018/07/13	2019/02/05	N. Kayser	R 4 314 492.72
Neil Lyners & Associates (RF) (Pty) Ltd.	Provision of Professional Services: Phased Installation of Bulk and Internal Electrical Services for Destiny Development in Villiersdorp	2018/10/03	03/10/2021	M. Redelinhuis	R 3 397 318.50
Asla Construction	Provision of Professional Civil Engineering Services in Villiersdorp related to the Provision of a Bulk and Link Sewer Phase 2.2 in terms of the Implementing Agent Contract - Addendum 21	2018/09/28	2019/03/29	N. Kayser	R 3 358 334.63

APPENDIX i – municipal entity / service provider performance schedule

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	Year 0		Year 1			Year 2	Year 4	
	(b) Service Targets	Target	Actual	Target	Actual		Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.									T I

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 18/19 (Current Year)		
Position	Name	Description of Financial interests (Nil / Or details)
(Executive) Mayor	C Vosloo	Private residence - R2mil
<u>Member of MayCo / Exco</u>		
Deputy Mayor (Resigned May 2019)	I Sileku	Director and Co-Funder of Siyabulela Events Management - 50% share
Councillor	C Lamprecht	Private residence R800 000
Deputy Mayor	K Papier	Private residence - R700 00 / Shaws Pass piggery
Councillor	P Stanfliet	Nil
Councillor	M Koegelenberg	Nil
Councillor	J Arendse	Trustee - Carmens Trust
Councillor	M Plato-Mentoor	Private residence R800 000
Councillor	A C November	Nil
Councillor	T Mangcayi	Nil
Councillor	S Fredericks	Supervisor at Two-A-Day Group receiving salary
Councillor	B Tshabe	Private residence
Councillor	C Wood	Nil
Councillor	H Syster	Nil
Councillor(Resigned Oct 2018)	D Appel	Nova Civils (Wife is owner - service provider at TWK)
Councillor	R Mienies	Nil
Councillor	T Tshungwa	Nil
Councillor	D Du Toit	Trustee - Danie Du Toit Trust / erf709 Greyton R 2.5mil
Councillor	S Potberg	Nil
Councillor	U Sipunzi	Nil
Councillor	R Brinkhuys	Nil
Councillor	N A Mentile	Nil
Councillor	D Jooste	Nil
Councillor	T Ndlebe	Operating a driving school
Councillor	U Toto	Private residence - R39 000
Councillor	M Bhangazana	Disability Grant
Councillor	N Pieterse	Nil
Councillor	MR Nongxaza	Nil
Councillor	N Mgweto	Nil
Municipal Manager	G Matthyse	House Value-R1.6 m
Chief Financial Officer	D Louw	Plot 419 Value-R420 000, Plot 4035 Value- R1 785 600
<u>(Executive) Directors</u>		
Director: Corporate Services	Vacant	
Director: Development	Vacant	
Director: Technical Services	Vacant	
Director: Operations	J Barnard	House Value-R1.8 m. Son of JP Barnard TWK TV & Video do business with TWK Municipality, have no interest in his business.
Other S57 Officials (None)		
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		
T J		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2017/2018	2018/2019		2018/2019		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust ments Budget
Vote 1 - Budget and treasury office	189 072	187 973	194 637	224 793	20%	15%
Vote 2 - Community and social services	8 202	9 942	9 942	8 729	-12%	-12%
Vote 3 - Corporate services	27 995	26 688	28 798	30 561	15%	6%
Vote 4 - Electricity	89 649	88 413	93 963	90 898	3%	-3%
Vote 5 - Environmental protection	–	–	–	–	–	–
Vote 6 - Executive and council	1 153	1 130	1 459	641	-43%	-56%
Vote 7 - Housing	16 858	61 255	56 017	22 705	-63%	-59%
Vote 8 - Planning and development	3 374	2 558	2 013	2 746	–	–
Vote 9 - Public safety	48 278	32 261	50 392	39 783	23%	-21%
Vote 10 - Road transport	5 448	6 263	6 806	7 041	12%	3%
Vote 11 - Sport and recreation	77	444	444	429	-4%	-4%
Vote 12 - Waste management	37 096	42 785	43 843	43 550	2%	-1%
Vote 13 - Waste water management	33 936	40 341	41 349	40 552	1%	-2%
Vote 14 - Water	72 699	79 970	74 976	77 670	-3%	4%
Vote 15 - [NAME OF VOTE 15]	-	–	–	–	–	–
Total Revenue by Vote	533 838	580 022	604 637	590 099		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	2017/18	2018/19			2018/2019 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	85 873	100 604	100 604	101 760	1.15%	1.15%
Service charges - electricity revenue	80 098	85 712	86 762	87 577	2.18%	0.94%
Service charges - water revenue	59 575	72 708	66 897	72 368	-0.47%	8.18%
Service charges - sanitation revenue	25 607	32 562	33 570	31 012	-4.76%	-7.62%
Service charges - refuse revenue	27 527	34 047	35 105	32 687	-3.99%	-6.89%
Service charges - other	1 120	–	–	–	–	–
Rental of facilities and equipment	1 658	2 035	2 035	1 811	-11.04%	-11.04%
Interest earned - external investments	7 323	6 159	6 159	10 457	69.80%	69.80%
Interest earned - outstanding debtors	9 868	8 000	16 000	16 472	105.90%	2.95%
Dividends received	–	–	–	–	–	–
Fines, penalties and forfeits	30 621	32 119	50 276	41 308	28.61%	-17.84%
Licences and permits	2 036	58	32	36	-38.80%	11.49%
Agency services	2 865	6 146	6 549	6 898	12.23%	5.33%
Transfers and subsidies	94 544	146 043	151 388	116 115	-20.49%	-23.30%
Other revenue	14 441	6 481	6 383	24 073	271.44%	277.16%
Gains on disposal of PPE	297	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	443 453	532 674	561 759	542 574	1.82%	-3.54%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG					
R' 000					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
National Treasury					
<i>Equitable Share (Indigent)</i>	87 385	87 385	87 385	0%	0%
<i>Local Government Financial Management Grant (FMG)</i>	1 700	1 700	1 700	0%	0%
<i>National Electrification Programme (NEP)</i>	5 000	375	5 000	0%	1235%
<i>Expanded Public Works Programmes</i>	1 451	1 451	1 451	0%	0%
<i>Municipal Drought Relieve (MDR)</i>	0	248	0	0%	-100%
<i>Public Works</i>	0	146	0	0%	-100%
Total	95 536	91 304	95 536	0%	5%
Provincial Treasury					
<i>Integrated Housing and Human Settlement & Dev. Grant</i>	61 255	48 594	17 568	-71%	-64%
<i>Title Deeds</i>	0	7 278	862		-88%
<i>PHP Rooidakke</i>	0	2 042	16 108		689%
<i>CDW Operational Support Grant</i>	130	37	0	-100%	-100%
<i>Maintenance Of Proclaimed Main Roads</i>	117	117	117	0%	0%
<i>Library Service Conditional Grant</i>	9 300	9 300	8 327	-10%	-10%
<i>Thusong Multi-Purpose Centre</i>	0	98	0		-100%
<i>WC Financial Management Support Grant (Long Term Financial Plan)</i>	0	850	500	0%	-41%
<i>WC Financial management Support Grant (mSCOA)</i>	330	330	330	0%	0%
<i>WC Financial Management Support Grant (Revenue Enhancement)</i>	0	500	500	100%	0%
<i>Municipal Capacity Building Grant(Bursaries)</i>	360	600	360	0%	-40%
<i>Municipal Capacity Building Grant (SDF Review)</i>	0	570	570		0%
<i>Municipal Disaster Recovery (Water Supply Grant)</i>	0	569	0	0%	-100%
<i>Development of Sport and Recreation</i>	401	401	401	100%	0%
<i>LG Graduate Internship Grant</i>	0	0	0	0%	
Total	71 893	71 287	45 643	-37%	-36%
Other Specify					
<i>SETA</i>	0	200	443	0%	122%
<i>DBSA LEDI</i>	0	2 350	142	0%	-94%
<i>HAN students</i>	1 000	1 422	441	-56%	-69%
<i>IDC Grant</i>	0	0	0	0%	
<i>Economic Development (Youth Development)</i>	0	70	0	100%	-100%
<i>Water and Sanitation Grant</i>	0	0	28 919	200%	
<i>SANRAL</i>	0	140	0	0%	-100%
Total	1 000	4 182	29 945	2894%	616%
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

Capital Expenditure - New Assets Programme*					R '000		
Description	2017/2018	2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	46 313	43 406	33 516	33 516	23 041	35 556	28 256
Infrastructure: Road transport - Total	13 011	13 027	7 222	7 222	5 052	13 050	–
<i>Roads, Pavements & Bridges</i>	13 011	7 002	4 170	4 170	4 377	–	–
<i>Storm water</i>	–	6 025	3 052	3 052	675	13 050	–
Infrastructure: Electricity - Total	1 154	–	196	196	–	–	–
<i>Generation</i>	1 154	–	196	196			
<i>Transmission & Reticulation</i>	–	–	–	–			
<i>Street Lighting</i>	–	–	–	–			
Infrastructure: Water - Total	25 817	10 686	7 654	7 654	–	9 423	6 386
<i>Dams & Reservoirs</i>		825	–	–		8 988	4 386
<i>Water purification</i>	–	3 836	4 393	4 393	–	435	2 000
<i>Reticulation</i>	25 817	6 025	3 261	3 261			
Infrastructure: Sanitation - Total	6 331	8 959	6 399	6 399	10 875	3 750	14 054
<i>Reticulation</i>	6 331	8 959	6 399	6 399	10 875	3 750	10 545
<i>Sewerage purification</i>			–	–			3 509
Infrastructure: Other - Total	–	10 734	12 046	12 046	7 114	9 334	7 816
<i>Waste Management</i>	–	6 824	6 824	6 824	3 557	4 667	3 908
<i>Transportation</i>		3 910	5 222	5 222	3 557	4 667	3 908
<i>Gas</i>							
Community - Total	–	–	750	750	–	–	–
<i>Parks & gardens</i>	–						
<i>Sports fields & stadia</i>			–	–			
<i>Swimming pools</i>							
<i>Community halls</i>		–	750	750			
<i>Libraries</i>							
<i>Recreational facilities</i>	–						
<i>Fire, safety & emergency</i>							
<i>Security and policing</i>							
<i>Museums & Art Galleries</i>							
<i>Cemeteries</i>		–	–	–			
<i>Social rental housing</i>							
<i>Other</i>							
<i>Table continued next page</i>							

Capital Expenditure - New Assets Programme*							R '000
Description	Year 2017/2018	Year 2018/2019			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Heritage assets - Total</u>	–	6 300	100	100	6 542	–	–
Buildings		6 300	100	100	6 542		
Other		–		–			
<u>Investment properties - Total</u>	–	–	–	–	–	–	–
Housing development							
Other							
<u>Other assets</u>	1 081	10 757	9 791	9 691	11 574	–	–
General vehicles	–	503	403	403	–		
Specialised vehicles							
Plant & equipment	734	3 546	2 491	2 491	712	–	–
Computers - hardware/equipment		–	938	938	1 346		
Furniture and other office equipment	347	408	1 659	1 659	974		
Abattoirs							
Markets							
Civic Land and Buildings		6 300	100	–	6 542		
Other Buildings							
Other Land		–	4 200	4 200	2 000		
Surplus Assets - (Investment or Inventory)							
Other							
<u>Agricultural assets</u>	–	–	–	–	–	–	–
List sub-class							
<u>Biological assets</u>	–	–	–	–	–	–	–
List sub-class							
<u>Intangibles</u>	–	–	–	–	–	–	–
Computers - software & programming		–	–				
Other (list sub-class)							
Total Capital Expenditure on new assets	47 393	60 463	44 157	44 057	41 158	35 556	28 256
<u>Specialised vehicles</u>	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1

APPENDIX M (i): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	Year 2016/2017	Year 2017/2018			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Infrastructure - Total</u>	–	4 561	570	570	8 958	2 896	1 900
Infrastructure: Road transport -Total		4 561	–	–	–	–	–
<i>Roads, Pavements & Bridges</i>	–	526	–	–			
<i>Storm water</i>	–	4 035	–	–			
Infrastructure: Electricity - Total	–	–	570	570	3 827	1 500	1 900
<i>Generation</i>							
<i>Transmission & Reticulation</i>			570	570	3 827	1 500	1 900
<i>Street Lighting</i>							
Infrastructure: Water - Total	–	–	–	–	5 131	1 396	–
<i>Dams & Reservoirs</i>							
<i>Water purification</i>		–	–	–			
<i>Reticulation</i>	–	–	–	–	5 131	1 396	
Infrastructure: Sanitation - Total	–	–	–	–	–	–	–
<i>Reticulation</i>	–	–	–	–			
<i>Sewerage purification</i>		–	–	–			
Infrastructure: Other - Total	–	–	–	–	–	–	–
<i>Waste Management</i>	–						
<i>Transportation</i>							
<i>Gas</i>							
<u>Community</u>	–	–	–	–	–	–	–
<i>Parks & gardens</i>							
<i>Sports fields & stadia</i>		–	–	–			
<i>Swimming pools</i>							
<i>Community halls</i>							
<i>Libraries</i>							
<i>Recreational facilities</i>			–	–			
<i>Fire, safety & emergency</i>							
<i>Security and policing</i>							
<i>Museums & Art Galleries</i>		–	–				
<i>Cemeteries</i>		–	–	–			
<i>Social rental housing</i>							
<u>Heritage assets</u>	–	–	–	–	–	–	–
<i>Buildings</i>		–	–	–			
<i>Table continued next page</i>							

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year 2015/2016	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	–	–		–	–	–	–
Housing development							
Other assets	–	2 000	2 038	2 038	598	–	–
General vehicles		2 000	2 000	2 000			
Specialised vehicles							
Plant & equipment		–	30	30	225		
Computers - hardware/equipment		–	–	–	308		
Furniture and other office equipment		–	8	8	65		
Abattoirs							
Markets							
Civic Land and Buildings		–	–	–			
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	–	–		–	–	–	–
<i>List sub-class</i>							
Biological assets	–	–		–	–	–	–
<i>List sub-class</i>							
Intangibles	–	–		–	–	–	–
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	–	6 561	2 608	2 608	9 556	2 896	1 900
Specialised vehicles	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)							T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: 2018/19					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<u>Water</u>	6 336	8 803	7 911		
Prepaid Water meters	2 500	3 276	3 048	-7%	22%
Drilling of Boreholes	0	248	240	-3%	0%
Drought Relieve - Caledon	0	233	224	-4%	0%
Destiny: Bulk water - Villiersdorp	2 131	2 131	2 101	-1%	0%
Destiny: Bulk water - Villiersdorp	1 706	1 706	1 655	-3%	-3%
Drought Relieve - Riviersonderend	0	373	383	3%	#DIV/0!
Water Source Development - Tesselaarsdal	0	267	261	-3%	#DIV/0!
Refurbishment and upgrading of the existing borehole - Genadendal	0	569	0	-100%	#DIV/0!
<u>Electricity</u>	3 515	5 073	4 668		
Install security fencing Switching stations Caledo	165	165	146	-12%	-12%
Upgrading 11kV network replace miniature substatio	0	570	465	-18%	#DIV/0!
Replace and upgrade MV Networks - Villiersdorp	550	550	508	-8%	-8%
Upgrading of Bulk Electrical Infrastructure - Villiersdorp	500	500	500	0%	0%
Upgrading of Bulk Electrical Infrastructure - Villiersdorp	0	793	793	0%	#DIV/0!
Replace and upgrade MV Networks - Riviersonderend	2 300	2 300	2 257	-2%	-2%
Grabouw highmast lighting	0	196	0	-100%	#DIV/0!
<u>Sewerage/Sanitation</u>	18 686	18 413	18 387		
Bulk outfall sewer - Caledon	2 891	1 478	1 478	0%	-49%
Bulk outfall sewer - Caledon	2 632	500	500	0%	-81%
Destiny: Bulk sewer - Villiersdorp	1 331	1 331	1 331	0%	0%
Destiny: Bulk sewer - Villiersdorp	1 602	1 602	1 602	0%	0%
Waste Water Treatment Works Upgrade - Caledon	6 941	6 941	6 941	0%	0%
Waste Water Treatment Works Upgrade - Caledon	3 289	6 559	6 534	0%	99%
<u>Waste Management</u>	10 734	12 046	12 046		
Transfer Station - Caledon	4 193	4 193	4 163	-1%	-1%
Transfer Station - Caledon	2 632	2 632	2 434	-8%	-8%
Waste Drop off - Riviersonderend	3 690	5 002	5 032	1%	36%
Waste Drop off - Riviersonderend	220	220	418	90%	90%

Capital Programme by Project: 2018/19

R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Housing	24 100	18 085	11 112		
Low Cost Housing Project: Grabouw Rooidakke (1169) Phase 5	350	350	0	-100%	-100%
Low Cost Housing Project: Grabouw Rooidakke Extension 4300 1169	16 700	7 588	6 003	-21%	-64%
Low Cost Housing Project: Grabouw Siyayanzela	1 050	1 050	119	-89%	-89%
Low Cost Housing Project: Villiersdorp Destiny Farm (2305) IRDP	0	2 000	0	-100%	-
Low Cost Housing Project: Riviersonderend (140) UISP	0	1 200	791	-34%	-
Low Cost Housing Project: Botrivier New France (226)	4 500	0	0	-	-100%
Low Cost Housing Project: Grabouw Hillside 348	1 500	0	0	-	-100%
Low Cost Housing Project: Grabouw Waterworks: Beve	0	20	0	-100%	-
Low Cost Housing Project: Botrivier Community Hall	0	750	0	-100%	-
Low Cost Housing Project: Botrivier Beaumont Land	0	4 200	4 108	-2%	-
Pine View 266 Civils (Water)	0	187	0	-100%	-
Grabouw Hillside Civils	0	740	92	-88%	-
Sports Fields	1 600	1 600	826		
Upgrading of Pineview sports ground - Grabouw	1 600	1 600	826	-48%	-48%
Fleet	2 403	3 075	2 622	-15%	9%
Purchase of Fleet	2 403	2 403	2 141	-11%	-11%
Vehicle Tracking System	0	672	482		
Roads, Pavements, Bridges & Stormwater	7 277	1 218	1 095	-10%	-85%
Pick up and drop off zone - Grabouw	0	140	30	-79%	0%
Purchase of land for entrance to Private Hospital	100	0	0	-	-100%
Destiny access road - Villiersdorp	877	978	978	0%	11%
Grabouw Traffic Department	6 300	100	88	-13%	-99%
Land and Buildings	50	15 199	13 221		
Development of Venster Property Erf 136 Caledon	50	0	0	-	-100%
Cemetery - Grabouw	0	0	0	-	-
Villiersdorp Resource Centre	0	13 570	11 800		
Caledon Erf 811/533	0	37	37		
Toy Library	0	1 591	1 384		

Capital Programme by Project: 2018/19

R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Office Equipment	2 944	3 394	3 618		
Inventory Items - Administration	173	172	135	-21%	-22%
Inventory Items - Botrivier	0	0	0	-	-
Inventory Items - Caledon	900	1 394	710	-49%	-21%
Inventory Items - Grabouw	77	154	119	-23%	54%
Inventory Items - Greyton / Genadendal	7	57	44	-22%	532%
Inventory Items - RSE	87	142	68	-52%	-21%
Inventory Items - TWK	1 582	1 230	2 351	91%	49%
Inventory Items - Villiersdorp	119	246	192	-22%	61%
Machinery and Equipment	1 109	1 555	1 026		
Inventory Items - Administration	11	11	128	1068%	1068%
Inventory Items - Caledon	488	678	573	-15%	18%
Inventory Items - Grabouw	274	274	177	-36%	-36%
Inventory Items - TWK	56	156	8	-95%	-85%
Inventory Items - Villiersdorp	131	76	69	-10%	-47%
Inventory Items - Genadendal	145	354	71	-80%	-51%
Inventory Items - Botrivier	5	5	0	-100%	-100%
Total Capital Programme by Project	78 756	88 460	76 533		

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital Programme by Project by Ward: Year 2018/19		
R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Botrivier		
Low-cost housing development at New France (Water, sewer, roads and stormwater)	Ward 7	Yes
Capital - Low Cost Housing Project: Botrivier Beaumont Land acquisition	Ward 7	Yes
Community Hall	Ward 7	No
Inventory Items		
Caledon		
Waste Transfer Station	Ward 4	Yes
Bulk outfall Sewer	Ward 4	Yes
Upgrading of waste water treatment works	Ward 4	Yes
Capital - Caledon Erf 811/533	Ward 4	Yes
Development of Venster Property Erf 136	Ward 3	No
Purchase of land for entrance to private Hospital - portion of Erf 1085	Ward 3	Yes
Capital - Upgrading 11kV network replace miniature substation	Ward 3 & 4	No
Capital - Drought Relieve	Ward 3, 4 & 6,7	Yes
Capital - Water source development Tesselaarsdal	Ward 3 & 4	Yes
Inventory Items		
Genadendal		
Refurbishment and upgrading of the existing borehole	Ward 2	No
Inventory Items		
Greyton		
Inventory Items		
Tesselaarsdal		
Grabouw		
Expansion of cemetery - Grabouw	Ward 9	Yes
Grabouw pick up and drop off zone	Ward 9	No
Low Cost Housing: Grabouw Waterworks: Beverly Hills - (Sanitation, Roads, Stormwater, Water)	Ward 11	No
Low Cost Housing Project: Grabouw Hillside 348	Ward 12	Yes
High mast lighting for Grabouw	All Grabouw Wards	No
Capital - Low Cost Housing Project: Grabouw Rooidakke Extension Iraq	All Grabouw Wards	Yes
Capital Low Cost Housing Project: Grabouw Rooidakke Extension 4300 (1169)	All Grabouw Wards	No
Upgrading of Pineview sports ground	All Grabouw Wards	No

Capital Programme by Project by Ward: Year 2018/19		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Grabouw Traffic Department	All Grabouw Wards	No
Capital - Pine View 266 Civils (Water)	Ward 8	No
Capital - Pine View 266 Civils (Sewer)	Ward 8	No
Capital - Low Cost Housing Project: Grabouw Siyayanzela - Water Distribution, Sanitation, Stormwater, Roads)	Ward 12	No
Capital - Grabouw Hillside Civils (Water)	Ward 13	No
Capital - Grabouw Hillside Civils (Sewer)	Ward 14	No
Inventory Items		
Riversonderend	Ward 1	Yes
Replace and upgrade MV Networks	Ward 1	Yes
Drought Relieve	Ward 1	Yes
Low Cost Housing Project: Riversonderend (72 sites)	Ward 1	Yes
Waste Drop off	Ward 1	Yes
Inventory Items		
TWK		
Transport Assets	All Wards	Yes
Smart Water meters	Ward 3	Yes
Purchase of Fleet	All Wards	Yes
Vehicle Tracking System	All Wards	Yes
Drilling of Borehole	All Wards	Yes
Capital - Install security fencing Switching stations Caledon and Villiersdorp	Ward 4 & 5	
Inventory Items		
Villiersdorp		
Destiny access road	Ward 6	Yes
Destiny: Bulk water	Ward 5,6	Yes
Replace and upgrade MV Networks	Ward 5	Yes
Destiny: Bulk sewer	Ward 6	No
Villiersdorp Resource Centre	Ward 6	Yes
Low Cost Housing Project: Villiersdorp Destiny Farm (2305) IRDP (Water supply infrastructure distribution)	Ward 6	No
Capital - Low Cost Housing: Villiersdorp Destiny Farm - Sanitation	Ward 6	No
Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Roads	Ward 6	No
Capital - Low Cost Housing Project: Villiersdorp Destiny Farm - Stormwater	Ward 6	No
Upgrading of Bulk Electrical Infrastructure	Ward 6	No
Capital - Toy Library	Ward 6	No
Inventory Items		

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Clinics (NAMES, LOCATIONS)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				T P

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
Housing:		
Licencing and Testing Centre:		
Reservoirs		
Schools (Primary and High):		
Sports Fields:		
		TQ

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

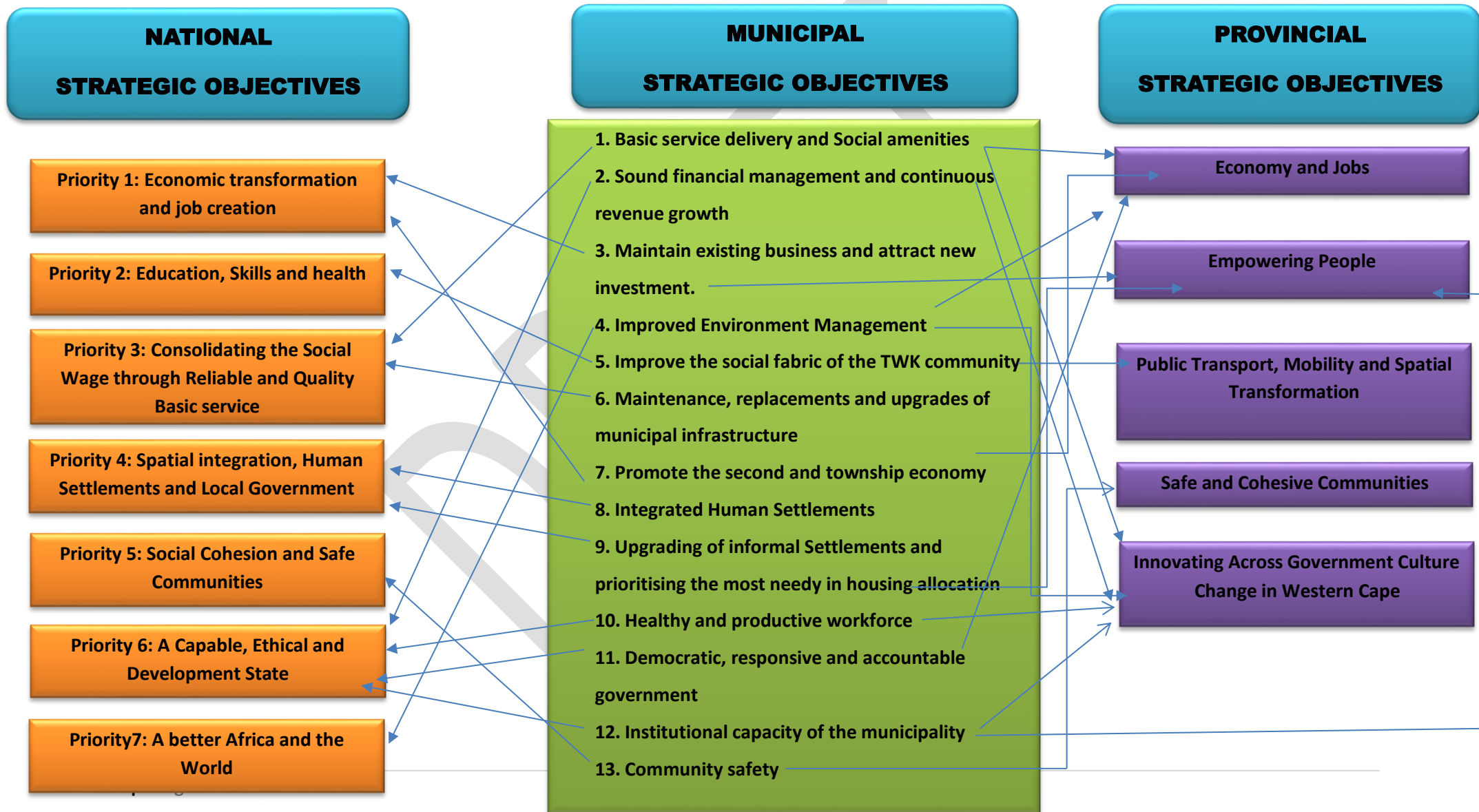
Declaration of Loans and Grants made by the municipality: Year 1				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 1 R' 000	Total Amount committed over previous and future years
<i>* Loans/Grants - whether in cash or in kind</i>				T R

APPENDIX S – MFMA SECTION 71 RETURNS NOT MADE DURING YEAR 1 ACCORDING TO REPORTING REQUIREMENTS

MFMA Section 71 Returns Not Made During Year 1 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date
T S	

APPENDIX T – NATIONAL AND PROVINCIAL AND LOCAL GOVERNMENT STRATEGIC ALIGNMENT

THEWATERSKLOOF STRATEGIC OBJECTIVES AND INTERGOVERNMENTAL ALIGNMENT



DRAFT

THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Theewaterskloof Local Municipality performs the functions as set out in the Constitution. (Act no 105 of 1996)

LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Theewaterskloof Local Municipality includes the following areas:

Caledon	Greyton
Grabouw	Genadendal
Villiersdorp	Botrivier
Riviersonderend	Tesselaarsdal

MEMBERS OF THE COUNCIL

Ward 1	Mr S Potberg	
Ward 2	Mr D du Toit	
Ward 3	Mrs J Arendse	
Ward 4	Mrs MM Koegelenberg	
Ward 5	Mr CM Lamprecht	
Ward 6	Mr R Brinkhuys	
Ward 7	Mrs PU Stanfliet	
Ward 8	Mrs A Mentile	
Ward 9	Mr D Jooste	
Ward 10	Mrs M Plato-Mentoor	
Ward 11	Mrs T Ndlebe	
Ward 12	Mr UT Sipunzi	
Ward 13	Mr M Bhangazana	
Ward 14	Mr N Pieterse	
Proportional	Mrs C Vosloo	
Proportional	Mr I Sileku	(Resigned 17 May 2019)
Proportional	Mrs N Mqgweto	(Appointed 14 June 2019)
Proportional	Mr K Papier	
Proportional	Mr C November	
Proportional	Mrs T Mangcayi	
Proportional	Mr S Fredericks	
Proportional	Mr B Tshabe	
Proportional	Mrs C Wood	
Proportional	Mr H Syster	
Proportional	Mr D Appel	(Resigned 1 October 2018)
Proportional	Mrs R Mienies	
Proportional	Mr T Tshungwana	
Proportional	Mrs M le Roux	
Proportional	Mr R Nongxaza	(Appointed 18 October 2018)

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	Mrs C Vosloo	
Deputy Executive Mayor	Mr IM Sileku	(Resigned 17 May 2019)
Deputy Executive Mayor	Mr K Papier	(Appointed 14 June 2019)
Executive Councillor	Mrs MM Koegelenberg	
Executive Councillor	Mrs J Arendse	
Executive Councillor	Mrs PU Stanfliet	
Executive Councillor	Mr K Papier	(Appointed as Deputy Executive Mayor 14 June 2019)
Executive Councillor	Mr N Pieterse	(Appointed 14 June 2019)
Executive Councillor	Mrs M Plato-Mentoor	

MUNICIPAL MANAGER

Mr GF Matthyse

THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

SPEAKER

Mr D Du Toit

CHIEF FINANCIAL OFFICER

Mr D Louw

AUDIT COMMITTEE

R Gani

W Zybrands

K Montgomery (Resigned 23 June 2019)

E Lakey

REGISTERED OFFICE

6 Plein Street

Caledon

7230

POSTAL ADDRESS

6 Plein Street

Caledon

7230

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

ABSA Bank Limited

ATTORNEYS

Bosman & Smit Pretorius

GJ Claughton

Johnson Attorneys

Guthrie & Theron

Fairbridges Attorneys

Finck Attorneys

DHM Attorneys

Bradley Conradie Attorneys

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)

Division of Revenue Act

The Income Tax Act

Value Added Tax Act

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Planning and Performance Management Regulations

Water Services Act (Act no 108 of 1997)

Housing Act (Act no 107 of 1997)

Municipal Property Rates Act (Act no 6 of 2004)

Electricity Act (Act no 41 of 1987)

Skills Development Levies Act (Act no 9 of 1999)

Employment Equity Act (Act no 55 of 1998)

Unemployment Insurance Act (Act no 30 of 1966)

Basic Conditions of Employment Act (Act no 75 of 1997)

Supply Chain Management Regulations, 2005

Collective Agreements

Infrastructure Grants

SALBC Leave Regulations

Municipal Budget and Reporting Regulations

National Environmental Management Act

Preferential Procurement Policy Framework Act, 200

Occupational Health and Safety Act

mSCOA Regulation

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

APPROVAL OF ACCOUNTING OFFICER

I am responsible for the preparation of these annual financial statements year ended 30 June 2019, which are set out on pages 313 to 397 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2020 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



Mr J Barnard
Acting Municipal Manager

31 August 2019

Date

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Notes	2019 (Actual)	2018 (Restated)
ASSETS			
Current Assets		208 504 546	128 733 342
Cash and Cash Equivalents	2	130 940 149	63 900 561
Current Investments	14	13 260 197	-
Receivables from Exchange Transactions	3	37 130 402	29 843 029
Receivables from Non-Exchange Transactions	4	16 615 573	16 154 602
Unpaid Conditional Government Grants	5	-	4 625 423
Taxes	6	4 369 051	7 721 185
Operating Leases	7	439 966	533 076
Current Portion of Long-term Receivables	8	1 361	14 744
Inventory	9	5 747 847	5 940 722
Non-Current Assets		905 283 127	853 487 082
Long-term Receivables	8	140	12 014
Investment Property	10	68 105 086	66 564 169
Property, Plant and Equipment	11	835 899 227	773 098 213
Intangible Assets	12	1 037 629	1 243 880
Heritage Assets	13	-	-
Non-current Investments	14	241 045	12 568 806
Total Assets		1 113 787 673	982 220 425
Current Liabilities		124 226 250	91 299 349
Current Portion of Long-term Liabilities	15	7 818 546	7 454 200
Consumer Deposits	16	4 750 864	4 832 519
Payables from exchange transactions	17	48 234 121	40 677 390
Unspent Conditional Government Grants	18	41 641 950	17 097 285
Unspent Public Contributions	19	259 792	421 637
Current Employee benefits	20	21 520 976	20 816 318
Non-Current Liabilities		223 758 432	213 754 700
Long-term Liabilities	15	82 347 883	79 745 587
Employee benefits	21	46 430 223	50 077 873
Non-Current Provisions	22	94 980 327	83 931 240
Total Liabilities		347 984 682	305 054 049
NET ASSETS		765 802 991	677 166 375
COMMUNITY WEALTH			
Accumulated Surplus		744 980 803	664 741 021
Reserves	23	20 822 188	12 425 354
		765 802 991	677 166 375

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2019

	Notes	2019 R (Actual)	2018 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		326 011 253	300 015 036
Taxation Revenue		101 759 520	98 144 521
Property Rates	24	101 759 520	98 144 521
Transfer Revenue		151 059 614	148 364 617
Government Grants and Subsidies - Operating	25	116 115 262	96 988 944
Government Grants and Subsidies - Capital	25	34 341 177	50 145 492
Public Contributions and Donations	26	603 175	1 230 181
Other Revenue		73 192 119	53 505 899
Insurance Refund		2 751 603	1 273 419
Fines, Penalties and Forfeits	27	41 308 076	48 235 143
Actuarial Gains	28	11 762 066	3 725 580
Reversal of Impairments	29	4 186 772	-
Contributed Assets	30	13 183 602	271 756
REVENUE FROM EXCHANGE TRANSACTIONS		264 087 608	232 706 868
Operating Activities		264 087 608	232 706 868
Service Charges	31	223 644 676	200 709 668
Rental of Facilities and Equipment	32	1 810 592	1 842 854
Interest Earned - External Investments		10 457 261	8 258 086
Interest Earned - Outstanding Debtors		16 472 261	10 307 713
Agency Services	33	6 898 029	6 674 076
Licences and Permits	34	35 678	31 176
Other Income	35	4 769 113	4 883 297
TOTAL REVENUE		590 098 861	532 721 904
EXPENDITURE			
Employee Related Costs	36	192 825 882	181 044 060
Remuneration of Councillors	37	11 706 906	11 538 787
Debt Impairment	38	74 345 671	81 973 432
Depreciation and Amortisation	39	20 298 909	23 581 613
Impairment	40	511 847	540 087
Actuarial Losses	41	1 805 601	368 790
Finance Charges	42	18 698 906	19 009 684
Bulk Purchases	43	76 381 521	67 091 482
Contracted Services	44	38 237 575	30 579 325
Transfers and Grants	45	2 642 281	2 476 180
Other Expenditure	46	62 979 990	45 007 047
Loss on disposal of Non-Monetary Assets	47	1 027 163	2 358 925
TOTAL EXPENDITURE		501 462 252	465 569 413
NET SURPLUS FOR THE YEAR		88 636 610	67 152 491

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2019

	CAPITAL REPLACEMENT RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2017 - Previously Reported	13 385 569	597 945 083	611 330 652
Correction of error restatement - refer to note 48.6	-	(1 316 724)	(1 316 724)
Balance on 30 June 2017 - Restated	13 385 569	596 628 358	610 013 928
Net Surplus for the year	-	67 152 447	67 152 447
Property, Plant and Equipment purchased	(2 725 262)	2 725 262	-
Transfer to Capital Replacement Reserve	1 765 046	(1 765 046)	-
Balance on 30 June 2018 - Restated	12 425 353	664 741 021	677 166 375
Net Surplus for the year	-	88 636 616	88 636 616
Property, Plant and Equipment purchased	-	-	-
Transfer to Capital Replacement Reserve	8 396 834	(8 396 834)	-
Balance on 30 June 2019	20 822 187	744 980 803	765 802 990

THEEWATERSKLOOF LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2019

	Notes	2019 R (Actual)	2018 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		100 519 945	93 424 697
Service Charges and Interest on outstanding Debtors		189 972 615	168 548 843
Other Revenue		30 626 530	18 545 659
Government Grants		179 626 528	150 666 120
Investment Income		10 457 261	8 258 086
Payments			
Suppliers and employees		(372 222 155)	(332 056 303)
Finance charges		(8 682 626)	(9 576 269)
Transfer and Grants		(2 642 281)	(2 476 180)
NET CASH FROM OPERATING ACTIVITIES	50	127 655 818	95 334 652
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		780 337	295 000
Payments			
Purchase of Property, Plant and Equipment		(63 349 124)	(86 942 234)
Increase in Non-current Investments		(932 436)	(923 739)
NET CASH USED INVESTING ACTIVITIES		(63 501 224)	(87 570 973)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		10 420 279	-
Increase/(Decrease) in Consumer Deposits		(81 648)	2 714
Payments			
Loans repaid		(7 453 637)	(8 189 282)
NET CASH FROM/(USED) FINANCING ACTIVITIES		2 884 994	(8 186 568)
NET INCREASE/(DECREASE) IN CASH HELD		67 039 588	(422 889)
Cash and Cash Equivalents at the beginning of the year		63 900 561	64 323 450
Cash and Cash Equivalents at the end of the year		130 940 149	63 900 561

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current assets					
Cash	6 801 719	7 194 060	13 995 779	87 525 596	73 529 817
Call investment deposits	12 033 259	28 621 985	40 655 244	56 674 751	16 019 507
Consumer debtors	54 704 776	5 435 125	60 139 901	43 599 966	(16 539 935)
Other Receivables	20 312 080	5 290 869	25 602 949	14 955 026	(10 647 922)
Current portion of long-term receivables	1 361	10 653	12 014	1 361	(10 653)
Inventory	5 063 075	877 647	5 940 722	5 747 847	(192 875)
Total current assets	98 916 270	47 430 338	146 346 608	208 504 546	62 157 938
Non current assets					
Long-term receivables	125	(125)	-	140	140
Investments	11 645 067	923 739	12 568 806	241 045	(12 327 761)
Investment property	65 754 588	191 482	65 946 070	68 105 086	2 159 016
Property, plant and equipment	866 081 639	(35 409 717)	830 671 921	835 899 227	5 227 306
Intangible Assets	1 152 126	(80 788)	1 071 338	1 037 629	(33 709)
Total non current assets	944 633 545	(34 375 409)	910 258 135	905 283 127	(4 975 008)
TOTAL ASSETS	1 043 549 814	13 054 929	1 056 604 743	1 113 787 673	57 182 930
LIABILITIES					
Current liabilities					
Borrowing	10 450 235	(2 696 035)	7 754 200	7 818 546	64 346
Consumer deposits	5 118 309	(128 340)	4 989 970	4 750 864	(239 105)
Trade and other payables	51 062 098	21 276 895	72 338 993	90 135 863	17 796 870
Provisions and Employee Benefits	22 128 757	(63 459)	22 065 297	21 520 976	(544 321)
Total current liabilities	88 759 399	18 389 062	107 148 461	124 226 250	17 077 789
Non current liabilities					
Borrowing	111 282 887	(26 927 483)	84 355 404	82 347 883	(2 007 521)
Provisions and Employee Benefits	124 896 770	20 633 305	145 530 075	141 410 549	(4 119 526)
Total non current liabilities	236 179 656	(6 294 178)	229 885 479	223 758 432	(6 127 046)
TOTAL LIABILITIES	324 939 055	12 094 884	337 033 939	347 984 682	10 950 743
NET ASSETS	718 610 759	960 045	719 570 804	765 802 991	46 232 187
COMMUNITY WEALTH					
Accumulated Surplus	705 225 190	1 920 261	707 145 450	744 980 803	37 835 353
Reserves	13 385 569	(960 215)	12 425 354	20 822 189	8 396 834
TOTAL COMMUNITY WEALTH/EQUITY	718 610 759	960 045	719 570 804	765 802 992	46 232 186

Refer to note 52.2 for explanations of material variances.

Material variances are considered to be any variances greater than R5 million.

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL PERFORMANCE					
REVENUE					
Property Rates	100 604 060	-	100 604 060	101 759 520	1 155 460
Service Charges - Electricity Revenue	85 711 895	1 050 000	86 761 895	87 577 448	815 553
Service Charges - Water Revenue	72 707 943	(5 811 200)	66 896 743	72 368 259	5 471 516
Service Charges - Sanitation Revenue	32 562 028	1 008 236	33 570 264	31 012 199	(2 558 065)
Service Charges - Refuse Revenue	34 046 544	1 058 154	35 104 698	32 686 769	(2 417 929)
Rental of Facilities and Equipment	2 035 200	-	2 035 200	1 810 592	(224 608)
Interest Earned - External Investments	6 158 600	-	6 158 600	10 457 261	4 298 661
Interest Earned - Outstanding Debtors	8 000 000	8 000 000	16 000 000	16 472 261	472 261
Fines, Penalties and Forfeits	32 119 060	18 156 940	50 276 000	41 308 076	(8 967 924)
Licences and Permits	58 300	(26 300)	32 000	35 678	3 678
Agency Services	6 146 389	402 463	6 548 852	6 898 029	349 177
Transfers Recognised - Operational	146 043 306	5 344 838	151 388 144	116 115 262	(35 272 882)
Other Revenue	6 480 994	(98 443)	6 382 551	24 072 729	17 690 178
Total Revenue (excluding capital transfers)	532 674 319	29 084 688	561 759 007	542 574 083	(19 184 924)
EXPENDITURE					
Employee Related Costs	201 997 634	59 128	202 056 762	192 825 882	(9 230 880)
Remuneration of Councillors	12 179 060	-	12 179 060	11 706 906	(472 154)
Debt Impairment	57 890 471	20 498 713	78 389 184	74 345 671	(4 043 513)
Depreciation and Asset Impairment	31 304 799	-	31 304 799	20 810 756	(10 494 043)
Finance Charges	22 361 693	-	22 361 693	18 698 906	(3 662 787)
Bulk Purchases	75 374 025	-	75 374 025	76 381 521	1 007 496
Other material	61 848 990	(2 483 531)	59 365 459	-	(59 365 459)
Contracted Services	44 695 270	9 218 356	53 913 626	38 237 575	(15 676 051)
Transfers and Grants	232 260	114 367	346 627	2 642 281	2 295 654
Other Expenditure	43 298 200	2 234 256	45 532 456	64 785 591	19 253 135
Loss on Disposal of PPE	-	-	-	1 027 163	1 027 163
Total Expenditure	551 182 402	29 641 289	580 823 691	501 462 252	(79 361 439)
Surplus/(Deficit)	(18 508 083)	(556 601)	(19 064 684)	41 111 831	60 176 515
Transfers Recognised - Capital	47 347 694	(4 609 335)	42 738 359	34 341 177	(8 397 182)
Contributed Assets	-	140 000	140 000	13 183 602	13 043 602
Surplus/(Deficit) for the year	28 839 611	(5 025 936)	23 813 675	88 636 610	64 822 935

Refer to note 52.3 for explanations of material variances.

Material variances are considered to be any variances greater than R5 million.

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW STATEMENT					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	87 112 332	(3 631 111)	83 481 220	100 519 945	17 038 725
Service charges	194 850 478	(10 358 120)	184 492 358	189 972 615	5 480 258
Other revenue	19 664 760	828 750	20 493 510	30 626 530	10 133 021
Government	193 391 000	(12 388 435)	181 002 565	179 626 528	(1 376 037)
Interest	13 085 742	6 349 653	19 435 395	10 457 261	(8 978 134)
Payments					
Suppliers and Employees	(441 357 893)	24 387 299	(416 970 594)	(372 222 155)	44 748 439
Finance Charges	(12 782 977)	-	(12 782 977)	(8 682 626)	4 100 351
Transfers and Grants	(232 260)	(114 367)	(346 627)	(2 642 281)	(2 295 654)
Net Cash from/(used) Operating Activities	53 731 181	5 073 669	58 804 850	127 655 818	68 850 968
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	-	-	-	780 337	780 337
Decrease/(Increase) in Other Non-Current Receivables	1 361	13 384	14 744	(932 436)	(947 181)
Decrease (increase) in non-current investments	-	-	-	-	-
Payments					
Capital Assets	(78 755 666)	5 494 267	(73 261 399)	(63 349 124)	9 912 275
Net Cash from/(used) Investing Activities	(78 754 305)	5 507 650	(73 246 655)	(63 501 224)	9 745 431
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	10 420 279	3 724 536	14 144 815	10 420 279	(3 724 536)
Increase/(Decrease) in Consumer Deposits	289 716	(7 265)	282 451	(81 648)	(364 099)
Payments					
Repayment of Borrowing	(8 462 730)	(772 270)	(9 235 000)	(7 453 637)	1 781 363
Net Cash from/(used) Financing Activities	2 247 264	2 945 002	5 192 266	2 884 994	(2 307 272)
NET INCREASE/(DECREASE) IN CASH HELD	(22 775 859)	13 526 321	(9 249 538)	67 039 588	76 289 126
Cash and Cash Equivalents at the year begin	41 610 837	22 289 724	63 900 561	63 900 561	-
Cash and Cash Equivalents at the year end	18 834 978	35 816 045	54 651 023	130 940 149	76 289 126

Refer to note 52.4 for explanations of material variances.

Material variances are considered to be any variances greater than R5 million.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – November 2013) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In term of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

1.03 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.05.2 Amended Accounting Policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

No significant amendments were made to the accounting policy in the current year.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.06 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved to early adopt the following Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
GRAP 20	Related Party Disclosures	1 April 2019
GRAP 108	Statutory Receivables	1 April 2019

The effect of the above-mentioned Standards of GRAP which were early adopted is considered insignificant. Accounting policies for these Standards of GRAP were already formulated in the prior year's financial statements. The only effect is additional disclosure requirements.

The Municipality resolved to early adopt the following amended Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
GRAP 1 (2018)	Presentation of Financial Statements	1 April 2020
GRAP 21 (2018)	Impairment of Non-cash-generating Assets	1 April 2020
GRAP 26 (2018)	Impairment of Cash-generating Assets	1 April 2020
GRAP 104 (2018)	Financial Instruments	1 April 2020

The effect of the above-mentioned amended Standards of GRAP which were early adopted is considered insignificant. The amendments to the Standards of GRAP mainly relate to the clarification of accounting principles.

The Municipality further resolved not to early adopt the following Standards of GRAP and Interpretations of the Standard of GRAP which were issued but are not yet effective:

1.08.1.1 GRAP 18 - Segment Reporting (effective 1 April 2020)

The objective of this Standard is to establish principles for reporting financial information by segments.

Preliminary investigations indicated that, other than additional disclosure, the impact of the Standards on the financial statements will be not be significant.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.08.1.2 GRAP 32 - Service Concession Arrangements: Grantor (effective 1 April 2019)

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.1.3 GRAP 34 - Separate Financial Statements (effective 1 April 2020)

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

No significant impact is expected as the Municipality has no investments in any entities.

1.08.1.4 GRAP 35 - Consolidated Financial Statements (effective 1 April 2020)

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

No significant impact is expected as the Municipality does not control any entities.

1.08.1.5 GRAP 36 - Investments in Associates and Joint Ventures (effective 1 April 2020)

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

No significant impact is expected as the Municipality does not have investments in any associates or joint ventures.

1.08.1.6 GRAP 37 - Joint Arrangements (effective 1 April 2020)

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

No significant impact is expected as the Municipality does not have an interest in any arrangements that are controlled jointly.

1.08.1.7 GRAP 38 - Disclosure of Interests in Other Entities (effective 1 April 2020)

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- (a) the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- (b) the effects of those interests on its financial position, financial performance and cash flows.

No significant impact is expected as the Municipality does not have an interest in any entities, associates, joint ventures or joint arrangements.

1.08.1.8 GRAP 109 - Accounting by Principles and Agents (effective 1 April 2019)

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

No significant impact is expected as the Municipality's current treatment is already in line with the Standard's requirements.

1.08.1.9 GRAP 110 - Living and Non-living Resources (effective 1 April 2020)

The objective of this Standard is to prescribe the:

- (a) recognition, measurement, presentation and disclosure requirements for living resources; and
- (b) disclosure requirements for non-living resources.

Preliminary investigations indicated that the Municipality's non-living resources do not fall within the scope of this Standard.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.08.1.10 iGRAP 1 (Revised) - Applying The Probability Test On Initial Recognition Of Revenue (effective 1 April 2020)

This Interpretation addresses the manner in which an entity applies the probability test on initial recognition of:

- (a) exchange revenue in accordance with GRAP 9; and
- (b) non-exchange revenue in accordance with GRAP 23.

No significant impact is expected as the Municipality's current treatment is already to a large extent in line with the Interpretation's requirements.

1.08.1.11 iGRAP 17 - Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset (effective 1 April 2019)

This Interpretation of the Standards provides guidance to the grantor where it has entered into a service concession arrangement, but only controls a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.1.12 iGRAP 18 - Recognition and Derecognition of Land (effective 1 April 2019)

This Interpretation of the Standards of GRAP provides guidance on when an entity should recognise and derecognise land as an asset in its financial statements.

No significant impact is expected as the Municipality's current treatment is already in line with the Interpretation's requirements.

1.08.1.13 iGRAP 19 - Liabilities to Pay Levies (effective 1 April 2019)

This Interpretation provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

No significant impact is expected as the Municipality's current treatment is already in line with the Interpretation's requirements.

1.08.1.14 iGRAP 20 - Accounting for Adjustments to Revenue (effective 1 April 2020)

This Interpretation clarifies the accounting for adjustments to:

- (a) exchange and non-exchange revenue charged in terms of legislation or similar means; and
- (b) interest and penalties that arise from revenue already recognised.

No significant impact is expected as the Municipality's current treatment is already to a large extent in line with the Interpretation's requirements.

1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

All Standards of GRAP currently issued, have effective dates.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.09 RESERVES

1.09.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

- (a) The cash funds that back up the CRR are invested until utilised.
- (b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- (c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

1.10 INVESTMENT PROPERTY

1.10.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.10.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.10.3 Depreciation – Cost Model

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS
Buildings	20 - 100

1.10.4 Impairment

Investment property is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.10.5 Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.11 PROPERTY, PLANT AND EQUIPMENT

1.11.1 Initial Recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.11.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.11.3 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
Land and Buildings		Leased Assets	
Land	N/A	Office Equipment	3 - 15
Buildings	20 - 100		
Work in progress	N/A	Other Assets	
		Vehicles	5 - 30
Infrastructure		Tools & Equipment	5 - 35
Roads and Storm water	5 - 150	Furniture	5 - 20
Electricity Network	10 - 100	Special Vehicles	10 - 35
Sewerage Network	10 - 200	Tables	5 - 20
Water Network	10 - 200	Chairs	5 - 20
Refuse Removal	20 - 50	Office Equipment	3 - 15
Work in progress	N/A	Computer Hardware	3 - 15
		Other	15
Community Assets			
Parks and Gardens	15 - 20		
Cemeteries	30		

1.11.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.11.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.12 INTANGIBLE ASSETS

1.12.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits or service potential;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.12.2 Subsequent Measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses.

1.12.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The annual amortisation rates are based on the following estimated useful lives:

	Years
Computer Software	3 - 15

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.12.4 Impairment

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.12.5 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.13 HERITAGE ASSETS

1.13.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date. The cost of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where a heritage asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.13.2 Subsequent Measurement – Cost Model

Heritage assets are carried at its cost less any accumulated impairment losses.

1.13.3 Depreciation

Heritage assets are not depreciated.

1.13.4 Impairment

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.13.5 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset.

The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

Compensation from third parties for heritage assets that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.14 IMPAIRMENT OF NON-MONETARY ASSETS

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Cash-generating assets are assets held with the objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

1.14.1 Recoverable amount of Cash-generating assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The best evidence of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

1.14.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.14.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.14.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.15 INVENTORIES

1.15.1 Initial Recognition

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs incurred in bringing the inventories to their current location and condition.

1.15.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.16 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

1.16.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

1.16.1.1 Multi-employer defined benefit plans

The Municipality contributes to various National- and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.16.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.16.2 Long-term Benefits

1.16.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.16.3 Short-term Benefits

1.16.3.1 Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

1.16.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

1.16.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.16.3.4 Other Short-term Employee Benefits

When an employee has rendered service to the Municipality during a reporting period, the Municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- (a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- (b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.17 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.18 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1.18.1 Municipality as Lessee

1.18.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

1.18.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

1.18.2 Municipality as Lessor

1.18.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (receivable) is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease.

The asset (receivable) is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis in the Statement of Financial Performance.

1.18.2.2 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.19 FINANCIAL INSTRUMENTS

1.19.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.19.2 Subsequent Measurement

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.
- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
 - (i) derivatives;
 - (ii) combined instruments that are designated at fair value;
 - (iii) instruments held for trading;
 - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
 - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

1.19.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

1.19.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

1.19.3.2 Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.19.4 Derecognition of financial instruments

1.19.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.19.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.19.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.20 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

1.20.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

1.20.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

1.20.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.20.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

1.21 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

1.22 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

1.23 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

1.24 NON-CURRENT INVESTMENTS

Investments which include investments in listed shares and fixed deposits invested in registered commercial banks.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

1.25 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.26 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.27 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.28 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

1.28.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.28.1.1 Taxation Revenue

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.28.1.2 Transfer Revenue

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.28.1.3 Fines

Fine Revenue constitutes both spot fines and summonses. Any fine reductions or cancellations subsequent to the fine issue date is recorded as a write-off against the provision raised for debt impairment.

1.28.1.4 Insurance Refunds

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

1.28.1.5 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

1.28.1.6 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

1.28.1.7 Services in-kind

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

1.28.1.8 Contributed Assets

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

1.28.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

1.28.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

1.28.2.2 *Interest earned*

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.28.2.3 *Rental income*

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

1.28.2.4 *Income from Agency Services*

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.28.2.5 *Other Tariffs*

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

1.28.2.6 *Sale of goods*

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.28.2.7 *Deferred payment*

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

1.29 **BORROWING COSTS**

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.30 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.32 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.34 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.35 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.36 RELATED PARTIES

The Municipality regards a related party as a person or an entity with the ability to control the Municipality either individually or jointly, or the ability to exercise significant influence over the Municipality, or vice versa.

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Mayor, Speaker, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

1.37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.37.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

1.37.2 Impairment of Receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

1.37.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.37.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

1.37.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.37.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

1.37.7 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

1.37.8 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

THE WATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2

CASH AND CASH EQUIVALENTS

Bank Accounts	87 515 246	23 234 967
Call Investment Deposits	43 414 553	40 655 244
Cash Floats	10 350	10 350

Total	130 940 149	63 900 561
--------------	--------------------	-------------------

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following commitments:

Unspent Conditional Grants	41 641 950	17 097 285
Unspent Public Contributions	259 792	421 637
Capital Replacement Reserve	20 822 188	12 425 354
Working Capital Requirements	68 216 219	33 956 286

Total Cash and Cash Equivalents	130 940 149	63 900 561
--	--------------------	-------------------

2.1 Bank Accounts

ABSA Bank Limited - Account Number 40-5786-6237 (Primary Bank Account)	87 515 246	23 234 967
ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)	-	-
ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)	-	-

Total	87 515 246	23 234 967
--------------	-------------------	-------------------

ABSA Bank Limited - Account Number 40-5786-6237 (Primary Bank Account)

Cash book balance at beginning of year	23 234 967	26 279 841
Cash book balance at end of year	87 515 246	23 234 967
Bank statement balance at beginning of year	22 993 423	25 737 671
Bank statement balance at end of year	87 261 663	22 993 423

The Municipality has one guarantee of R15 000 in the name of the beneficiary, Eskom.

ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Income account is cleared daily to Primary Bank Account.

ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Traffic account is cleared daily to Primary Bank Account.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

2 CASH AND CASH EQUIVALENTS (CONTINUED)

2.2 Call Investment Deposits

Call investment deposits consist out of the following accounts:

Interneuron Capital Ltd	- Notice deposit	- Account number CA 002	430 224	430 224
ABSA Bank Limited	- 3 months investment	- Account number 93-0013-5651	11 940 382	11 176 363
ABSA Bank Limited	- 3 months investment	- Account number 93-0013-5415	24 395 791	22 834 800
ABSA Bank Limited	- Notice deposit	- Account number 90-9522-5460	7 078 380	6 644 081
			43 844 778	41 085 468
Less: Provision for Impairment			(430 224)	(430 224)
Total			43 414 553	40 655 244

An amount of R 430 224 (2018: R 430 224), included in Call Investment Deposits above, is invested in an institution which is under curatorship. The curators are encashing property developments financed by the investment company before distribution of funds will continue, however it is expected significant capital losses will be incurred. The dates of any possible future cashflows are not known at the reporting date and the full amount has been impaired due to the uncertainty of collectability.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Service Receivables

Electricity	178 287 218	153 489 783
Water	8 667 360	7 772 202
Refuse	50 908 739	43 256 123
Sewerage	40 003 984	36 384 199
Other	35 514 715	31 323 168
	43 192 420	34 754 091

Other Receivables

Prepayments	3 724 537	2 652 071
Accrued Interest	3 339 827	2 551 472
	384 710	100 599

Total Gross Balance

Less: Allowance for Debt Impairment	182 011 755	156 141 854
	(144 881 353)	(126 298 825)

Total Net Receivable

As previously reported	37 130 402	29 843 029
Correction of error restatement - note 48.1		33 606 683
		(3 763 653)
Restated balance		29 843 029

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	126 298 825	105 896 302
Movement in the contribution to the provision	43 954 671	41 243 198
Bad Debts Written off	(25 372 143)	(22 620 693)
Transfer to long-term receivables	-	1 780 018
Balance at the end of the year	144 881 353	126 298 825

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

3

RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

		2019	2018
	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2019			
Service Receivables			
Electricity	8 667 360	(908 597)	7 758 763
Water	50 908 739	(35 064 494)	15 844 245
Refuse	40 003 984	(36 353 263)	3 650 721
Sewerage	35 514 715	(30 499 757)	5 014 958
Other	43 192 420	(42 055 242)	1 137 178
Other Receivables			
Prepayments	3 339 827	-	3 339 827
Accrued Interest	384 710	-	384 710
Total	182 011 755	(144 881 353)	37 130 402
30 June 2018			
Service Receivables			
Electricity	7 772 202	(1 864 826)	5 907 376
Water	43 256 123	(33 013 334)	10 242 789
Refuse	36 384 199	(32 874 775)	3 509 424
Sewerage	31 323 168	(26 617 464)	4 705 704
Other	34 754 091	(31 928 426)	2 825 665
Other Receivables			
Prepayments	2 551 472	-	2 551 472
Accrued Interest	100 599	-	100 599
Total	156 141 854	(126 298 825)	29 843 029
Ageing of Receivables from Exchange Transactions			
Electricity			
Current (0 - 30 days)		6 507 357	4 912 351
1 to 3 months		1 394 860	1 767 716
Longer than 3 months		765 143	1 092 135
Total		8 667 360	7 772 202
Water			
Current (0 - 30 days)		11 389 453	8 280 250
1 to 3 months		7 336 875	6 545 420
Longer than 3 months		32 182 412	28 430 453
Total		50 908 739	43 256 123
Refuse			
Current (0 - 30 days)		2 980 060	2 602 666
1 to 3 months		4 081 992	4 195 263
Longer than 3 months		32 941 932	29 586 270
Total		40 003 984	36 384 199
Sewerage			
Current (0 - 30 days)		4 404 181	3 222 181
1 to 3 months		3 638 427	4 252 267
Longer than 3 months		27 472 107	23 848 720
Total		35 514 715	31 323 168
Other			
Current (0 - 30 days)		1 703 462	1 836 018
1 to 3 months		3 858 573	3 893 364
Longer than 3 months		37 630 385	29 024 710
Total		43 192 420	34 754 091
Summary Ageing of all Receivables from Exchange Transactions			
Current (0 - 30 days)		26 984 512	20 853 466
1 to 3 months		20 310 726	20 654 030
Longer than 3 months		130 991 980	111 982 287
Total		178 287 219	153 489 783

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

4

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Service Receivables

Property Rates

34 500 001

35 707 240

Other Receivables

52 824 973

56 239 090

Unpaid Traffic Fines

51 406 985

55 105 850

Suspense Debtors

1 417 988

1 133 240

Total Gross Balance

87 324 974

91 946 330

Less: Allowance for Debt Impairment

(70 709 401)

(75 791 728)

Total Net Receivable

16 615 573

16 154 602

As previously reported

16 232 180

Correction of error restatement - note 48.1

(252 033)

Correction of error restatement - note 48.5

174 455

Restated balance

16 154 602

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year

75 791 728

54 480 060

Movement in the contribution to the provision

31 940 822

42 072 859

Bad Debts Written off

(37 023 149)

(21 708 025)

Transfer to long-term receivables

-

946 834

Balance at the end of the year

70 709 401

75 791 728

The Allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2019			
Service Receivables			
Property Rates	34 500 001	(24 690 610)	9 809 391
Other Receivables			
Unpaid Traffic Fines	51 406 985	(46 018 790)	5 388 194
Suspense Debtors	1 417 988	-	1 417 988
Total	87 324 974	(70 709 400)	16 615 573
30 June 2018			
Service Receivables			
Property Rates	35 707 240	(27 446 086)	8 261 155
Other Receivables			
Unpaid Traffic Fines	55 105 850	(48 345 642)	6 760 207
Suspense Debtors	1 133 240	-	1 133 240
Total	91 946 330	(75 791 728)	16 154 602

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Ageing of Receivables from Non-Exchange Transactions

Property Rates

Current (0 - 30 days)	6 070 719	5 883 789
1 to 3 months	3 402 630	4 846 376
Longer than 3 months	25 026 652	24 977 075
Total	34 500 001	35 707 240

5 UNPAID CONDITIONAL GOVERNMENT GRANTS

National Government Grants	-	4 625 423
Total	-	4 625 423

Detail reconciliations of all grants received and grant conditions met are included in note 25.

6 TAXES

VAT Receivable	4 369 051	7 721 185
VAT Payable prior to Allowance for Debt Impairment	(8 939 362)	(4 037 406)
Less: VAT on Allowance for Debt Impairment	13 308 412	11 758 591
Total	4 369 051	7 721 185
As previously reported		8 326 291
Correction of error restatement - note 48.5		(605 106)
Restated balance		7 721 185

Reconciliation of VAT on Allowance for Debt Impairment

Balance at beginning of year	11 758 591	10 415 965
Debt Impairment for current year	1 549 822	1 342 625
Balance at the end of the year	13 308 412	11 758 591

7 OPERATING LEASES

7.1 OPERATING LEASE ASSET

Operating Lease Asset	439 966	533 076
-----------------------	---------	---------

The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

Reconciliation of Operating Lease Asset

Balance at the beginning of the year	533 076	539 922
Movement during the year	(93 110)	(6 846)
Balance at the end of the year	439 966	533 076

The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	862 783	550 012
Between 1 and 5 Years	596 724	873 830
After 5 Years	1 157 618	1 300 551
Total operating lease payments	2 617 126	2 724 393

The prior year's total lease payments indicated an amount of R3 293 277. This amount has been restated to R2 724 393 due to minor calculation errors, duplications and omissions.

THE WATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

7 OPERATING LEASES (CONTINUED)

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The Municipality leases a number of land and buildings for periods ranging from 1 to 99 years with escalations of between 0% and 20% per annum.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

8 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	-	23 911
Individual Housing Loans	1 501	2 847
Sub-Total	1 501	26 759
Less: Current portion of Long-term Receivables	(1 361)	(14 744)
Receivables with repayment arrangements	-	(13 384)
Individual Housing Loans	(1 361)	(1 361)
Total Gross Balance	140	12 014
Less: Allowance for Debt Impairment	-	-
Total	140	12 014

Receivables with repayment arrangements

As on 30 June 2019, no arrangements with debtors were made. As on 30 June 2018, debtors amounting to R23 911 arranged to settle their account over an re-negotiated period. Total payments to the value of R10 528 have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

Individual Housing Loans

Housing loans are not currently granted to officials of the Municipality. The outstanding amount relates to prior years and is still collectable. Staff were entitled to housing loans which attract interest at 3-10% per annum and which are repayable over a maximum period of 20 years. These loans are repayable up to the year 2020.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	-	2 726 852
Transfer from Receivables from Exchange Transactions	-	(1 780 018)
Transfer from Receivables from Non-Exchange Transactions	-	(946 834)
Balance at the end of the year	-	-

The allowance for impairment of long-term receivables has been made for all consumer balances subject to repayment arrangements, due to the low level of repayment.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

	2019	2018
9 INVENTORY		
Maintenance Materials	5 059 993	5 386 995
Water	687 854	553 727
Total	5 747 847	5 940 722
Inventory are disclosed at the lower of cost or net realisable value.		
The Municipality recognised only purification costs in respect of non-purchased purified water inventory.		
No inventory were pledged as security for liabilities.		
Inventory written down due to losses identified during the annual stores counts	7 319	27 020
Inventory recognised as an expense during the year	9 223 877	10 907 288
10 INVESTMENT PROPERTY		
Investment Property - Carrying Value	68 105 086	66 564 169
As previously reported		66 447 569
Correction of error restatement - note 48.2		116 600
Restated balance		66 564 169
The carrying value of Investment Property is reconciled as follows:		
Opening Carrying Value	66 564 169	66 883 906
Cost	71 186 654	71 445 536
Accumulated Depreciation	(691 129)	(630 274)
Accumulated Impairment	(3 931 356)	(3 931 356)
Additions	-	-
Reversal of impairment	1 601 772	-
Disposals	-	(258 882)
Cost	-	(258 882)
Accumulated Depreciation	-	-
Accumulated Impairment	-	-
Depreciation	(60 855)	(60 855)
Closing Carrying Value	68 105 086	66 564 169
Cost	71 186 654	71 186 654
Accumulated Depreciation	(751 984)	(691 129)
Accumulated Impairment	(2 329 584)	(3 931 356)
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligations to purchase, construct or develop Investment Property or for repairs, maintenance or enhancements.		
Revenue derived from the rental of Investment Property	1 596 244	1 587 216
Repairs and maintenance incurred on Investment Properties		
Revenue generating properties	-	-
Non-revenue generating properties	-	-
Total Repairs and Maintenance	-	-

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

11 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2019				
Land and Buildings	117 927 843	(5 324 687)	(2 660 710)	109 942 446
Infrastructure	819 019 862	(143 311 330)	-	675 708 532
Community Assets	763 623	(429 967)	-	333 656
Leased Assets	-	-	-	-
Other Assets	58 616 955	(19 226 056)	-	39 390 900
Capitalised Restoration Cost	47 988 462	(29 428 980)	(8 035 788)	10 523 694
Total	1 044 316 745	(197 721 020)	(10 696 498)	835 899 227
30 June 2018				
Land and Buildings	104 706 771	(4 647 817)	(5 245 710)	94 813 244
Infrastructure	762 974 592	(128 635 908)	-	634 338 685
Community Assets	763 623	(407 223)	-	356 401
Leased Assets	564 037	(484 304)	-	79 733
Other Assets	55 056 172	(18 125 619)	-	36 930 553
Capitalised Restoration Cost	41 954 024	(27 850 485)	(7 523 941)	6 579 598
Total	966 019 220	(180 151 355)	(12 769 651)	773 098 213
As previously reported				766 263 070
Correction of error restatement - note				6 835 143
Restated balance				773 098 213

Repairs and Maintenance were incurred on the following asset classes:

Land and Buildings	8 617 718	5 932 804
Infrastructure	10 901 354	8 854 354
Community Assets	549 235	437 710
Other Assets	5 065 402	5 438 535
Total	25 133 708	20 663 402

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

The reconciliation of the carrying value of Property, Plant and Equipment is disclosed on the following page:

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost						Accumulated Depreciation and Impairment						Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Transfers	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R
30 June 2019													
Land and Buildings	104 706 771	37 470	-	13 183 602	-	117 927 843	9 893 527	676 870	(2 585 000)	-	-	7 985 397	109 942 446
Land	40 284 175	-	-	-	-	40 284 175	5 245 710	-	(2 585 000)	-	-	2 660 710	37 623 465
Buildings	62 108 572	-	-	13 183 602	-	75 292 174	4 647 817	676 870	-	-	-	5 324 687	69 967 487
Work in progress	2 314 025	37 470	-	-	-	2 351 495	-	-	-	-	-	-	2 351 495
Infrastructure	762 974 592	56 045 269	-	-	-	819 019 862	128 635 908	14 675 422	-	-	-	143 311 330	675 708 532
Roads and Storm water	210 285 092	-	-	-	11 442 544	221 727 636	53 400 273	3 603 379	-	-	-	57 003 652	164 723 984
Electricity Network	95 702 734	-	-	-	145 864	95 848 598	15 381 558	2 194 611	-	-	-	17 576 169	78 272 429
Sewerage Network	189 275 577	-	-	-	2 226 316	191 501 893	27 102 725	4 350 576	-	-	-	31 453 301	160 048 593
Water Network	166 557 705	-	-	-	8 658 112	175 215 816	32 382 576	4 354 952	-	-	-	36 737 528	138 478 288
Refuse Removal	5 966 816	-	-	-	5 987 021	11 953 837	368 776	171 903	-	-	-	540 680	11 413 157
Work in progress	95 186 669	56 045 269	-	-	(28 459 857)	122 772 081	-	-	-	-	-	-	122 772 081
Community Assets	763 623	-	-	-	-	763 623	407 223	22 745	-	-	-	429 967	333 656
Parks and Gardens	561 924	-	-	-	-	561 924	205 524	22 745	-	-	-	228 268	333 656
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	-	201 699	-
Leased Assets	564 037	-	-	-	(564 037)	-	484 304	-	-	-	(484 304)	-	-
Office Equipment	564 037	-	-	-	(564 037)	-	484 304	-	-	-	(484 304)	-	-
Other Assets	55 056 172	7 266 385	(4 269 639)	-	564 037	58 616 955	18 125 619	3 136 998	-	(2 520 866)	484 304	19 226 056	39 390 900
Vehicles	4 837 788	2 140 513	(247 399)	-	-	6 730 903	1 536 043	325 547	-	(150 873)	-	1 710 717	5 020 186
Tools & Equipment	8 572 046	1 041 881	(1 352 921)	-	(362 794)	7 898 211	3 975 703	508 330	-	(872 492)	(50 193)	3 561 348	4 336 863
Furniture	2 352 054	839 550	(101 490)	-	(11 832)	3 078 282	1 005 363	161 237	-	(46 660)	-	1 119 940	1 958 341
Special Vehicles	28 269 382	-	(720 474)	-	-	27 548 908	7 015 589	1 324 624	-	(406 520)	-	7 933 694	19 615 214
Tables	513 166	-	(39 657)	-	-	473 509	258 861	26 234	-	(24 846)	-	260 248	213 261
Chairs	1 000 779	-	(81 045)	-	-	919 733	468 802	59 423	-	(43 059)	-	485 167	434 566
Office Equipment	3 307 469	609 839	(650 797)	-	374 626	3 641 137	1 626 313	237 575	-	(332 265)	50 193	1 581 816	2 059 321
Computer Hardware	5 912 597	2 634 601	(1 028 032)	-	564 037	8 083 203	2 122 281	476 646	-	(629 672)	484 304	2 453 560	5 629 643
Other	290 892	-	(47 824)	-	-	243 069	116 664	17 381	-	(14 479)	-	119 566	123 503
Capitalised Restoration Cost	41 954 024	6 034 437	-	-	-	47 988 462	35 374 426	1 578 495	511 847	-	-	37 464 768	10 523 694
Landfill Site Rehabilitation	41 954 024	6 034 437	-	-	-	47 988 462	35 374 426	1 578 495	511 847	-	-	37 464 768	10 523 694
	966 019 220	69 383 562	(4 269 639)	13 183 602	-	1 044 316 745	192 921 006	20 090 530	(2 073 153)	(2 520 866)	-	208 417 517	835 899 227

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value	Cost						Accumulated Depreciation and Impairment						Carrying Value (Restated)
	Opening Balance	Additions	Disposals	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Transfers	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	104 964 993	547 213	(895 435)	90 000	-	104 706 771	8 977 177	566 513	349 837	-	-	9 893 527	94 813 244
Land	41 089 609	-	(895 435)	90 000	-	40 284 175	5 245 710	-	-	-	-	5 245 710	35 038 465
Buildings	60 411 379	-	-	-	1 697 193	62 108 572	3 731 467	566 513	349 837	-	-	4 647 817	57 460 755
Work in progress	3 464 005	547 213	-	-	(1 697 193)	2 314 025	-	-	-	-	-	-	2 314 025
Infrastructure	682 853 845	80 120 748	-	-	-	762 974 592	113 622 678	15 013 230	-	-	-	128 635 908	634 338 685
Roads and Storm water	202 192 659	-	-	-	8 092 433	210 285 092	47 884 992	5 515 281	-	-	-	53 400 273	156 884 819
Electricity Network	81 520 182	-	-	-	14 182 552	95 702 734	13 538 073	1 843 485	-	-	-	15 381 558	80 321 176
Sewerage Network	179 179 434	-	-	-	10 096 143	189 275 577	22 702 992	4 399 732	-	-	-	27 102 725	162 172 853
Water Network	141 988 651	-	-	-	24 569 054	166 557 705	29 299 280	3 083 296	-	-	-	32 382 576	134 175 129
Refuse Removal	5 966 816	-	-	-	-	5 966 816	197 341	171 435	-	-	-	368 776	5 598 039
Work in progress	72 006 103	80 120 748	-	-	(56 940 182)	95 186 669	-	-	-	-	-	-	95 186 669
Community Assets	763 623	-	-	-	-	763 623	383 843	23 379	-	-	-	407 223	356 401
Parks and Gardens	561 924	-	-	-	-	561 924	182 144	23 379	-	-	-	205 524	356 400
Cemeteries	201 699	-	-	-	-	201 699	201 699	-	-	-	-	201 699	0
Leased Assets	572 037	-	(8 000)	-	-	564 037	411 794	80 155	-	(7 645)	-	484 304	79 733
Office Equipment	572 037	-	(8 000)	-	-	564 037	411 794	80 155	-	(7 645)	-	484 304	79 733
Other Assets	50 940 431	6 274 273	(2 340 289)	181 756	-	55 056 172	15 905 117	3 061 538	-	(841 036)	-	18 125 619	36 930 553
Vehicles	4 945 791	161 300	(269 304)	-	-	4 837 788	1 252 605	322 670	-	(39 233)	-	1 536 043	3 301 745
Tools & Equipment	8 962 543	819 685	(1 210 183)	-	-	8 572 046	3 939 502	595 767	-	(559 566)	-	3 975 703	4 596 343
Furniture	2 277 938	124 944	(50 829)	-	-	2 352 054	867 097	159 489	-	(21 223)	-	1 005 363	1 346 691
Special Vehicles	24 665 127	4 210 106	(605 850)	-	-	28 269 382	5 924 237	1 237 015	-	(145 662)	-	7 015 589	21 253 793
Tables	521 603	-	(8 437)	-	-	513 166	235 687	26 357	-	(3 183)	-	258 861	254 305
Chairs	1 025 216	-	(24 438)	-	-	1 000 779	422 551	60 920	-	(14 668)	-	468 802	531 976
Office Equipment	2 992 707	386 460	(77 598)	5 900	-	3 307 469	1 450 806	201 023	-	(25 516)	-	1 626 313	1 681 156
Computer Hardware	5 212 106	571 778	(47 143)	175 856	-	5 912 597	1 708 378	438 194	-	(24 290)	-	2 122 281	3 790 316
Other	337 401	-	(46 508)	-	-	290 892	104 254	20 105	-	(7 695)	-	116 664	174 228
Capitalised Restoration Cost	39 797 722	2 156 302	-	-	-	41 954 024	30 570 630	4 613 546	190 250	-	-	35 374 426	6 579 598
Landfill Site Rehabilitation	39 797 722	2 156 302	-	-	-	41 954 024	30 570 630	4 613 546	190 250	-	-	35 374 426	6 579 598
	879 892 652	89 098 535	(3 243 724)	271 756	-	966 019 220	169 871 239	23 358 361	540 087	(848 681)	-	192 921 006	773 098 213

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

12

INTANGIBLE ASSETS

Intangible Assets - Carrying Value

1 037 629

1 243 880

The carrying value of intangible Assets is reconciled as follows:

Opening Carrying Value

1 243 880

1 406 277

Cost

2 242 407

2 242 407

Accumulated Depreciation

(998 528)

(836 131)

Accumulated Impairment

-

-

Additions

-

-

Amortisation

(147 524)

(162 397)

Disposal

(58 726)

-

Cost

(520 892)

-

Accumulated Depreciation

462 166

-

Closing Carrying Value

1 037 629

1 243 880

Cost

1 721 516

2 242 407

Accumulated Depreciation

(683 886)

(998 528)

Accumulated Impairment

-

-

The following material intangible assets are included in the carrying value above

Description

Remaining amortisation period

Carrying Value

Computer software/licenses

2 - 10 years

1 037 629

1 243 880

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

13

HERITAGE ASSETS

The Municipality has four registered Heritage Assets, however, the principal usage of the assets is that of service delivery and is therefore recognised in Property, Plant and Equipment. The assets are as follows:

Erf 614, Caledon - Utilised as the Town Hall

720 902

720 902

Erven 12 and 14 - Villiersdorp - Utilised as a Restaurant.

290 500

290 500

Bridge at Meul Street, Caledon

14

14

Bridge at Farm 39, Genadendal

163

163

Total carrying value included under Property, Plant and Equipment

1 011 579

1 011 579

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

There are no contractual commitments for the acquisition, maintenance or restoration of heritage assets.

14

NON-CURRENT INVESTMENTS

Listed shares

241 045

216 096

Fixed Deposits

-

12 352 710

Total

241 045

12 568 806

Listed shares

Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to these shares.

Listed investments comprise of the following:

Sanlam - Shares Investment

241 045

216 096

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand		2019	2018
14	NON-CURRENT INVESTMENTS (CONTINUED)		
Fixed Deposits			
Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates of 10.22% per annum.			
Fixed deposits consist out of the following:			
Standard Bank - Account number 088907139005 - 5 year investment		13 260 197	12 352 710
Transferred to Current Investments		(13 260 197)	-
Total		-	12 352 710
The fixed deposit is ring-fenced for the repayment of stock loans as per note 15.			
The fixed deposit will mature in September 2019 and is therefore disclosed as a current asset. A new fixed deposit will thereafter be taken up in order to serve as security for the stock loans as per note .			
15	LONG-TERM LIABILITIES		
Annuity Loans		73 143 460	70 176 818
Stock Loans		17 022 969	17 022 969
Sub-Total		90 166 429	87 199 787
Less: Current portion of Long-term Liabilities		7 818 546	7 454 200
Annuity Loans		6 818 546	7 454 200
Stock Loans		1 000 000	-
Total		82 347 883	79 745 587
Long-term Liabilities were utilised as follow:			
Total Long-term Liabilities taken up		90 166 429	87 199 787
Used to finance Property, Plant and Equipment at cost		(90 166 429)	(87 199 787)
Unspent Borrowings		-	-
Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.			
Annuity Loans			
Annuity Loans, disclosed at amortised cost, consist out of the following agreements:			
Institution and loan number	Rate	Maturity Date	Carrying Value of Liability
DBSA BANK - 10 & 20 year (Loan No. 102807/1)	10.74%	30/06/2028	6 011 180
DBSA BANK - 10 & 20 year (Loan No. 103108/1)	11.44%	30/09/2028	7 119 182
ABSA BANK - 11 year (10858/1 (Electricity, Water, Sewerage))	11.14%	31/12/2018	-
ABSA BANK - 11 year (10858/2 (Sewerage))	11.14%	31/12/2018	-
DBSA BANK - 20 year (13343(Electricity))	16.50%	31/12/2019	16 261
DBSA BANK - 20 year (13705/102 (Electricity))	15.75%	30/06/2020	14 908
DBSA BANK - 20 year (103313.1)	9.85%	31/03/2029	16 258 319
DBSA BANK - 15 year (103313.2)	9.97%	31/03/2024	3 260 385
DBSA BANK - 10 year (103313.3)	10.00%	31/03/2019	-
STANDARD BANK - 10 year (72479981)	11.72%	31/07/2020	695 438
DBSA BANK - 20 year (103817/3)	11.06%	31/12/2030	9 064 443
STANDARD BANK- 15 year (272400572)	12.22%	30/06/2026	5 573 497
ABSA BANK - 15 year (40-7908-8994)	10.79%	27/06/2027	8 446 833
ABSA BANK - 7 year (40-7908-9071)	9.42%	27/06/2019	-
ABSA BANK - 7 year (8259-8788)	8.25%	27/06/2019	-
ABSA BANK - 7 year (8259-9091)	8.25%	27/06/2019	-
ABSA BANK - 7 year (8259-9741)	8.25%	27/06/2019	-
ABSA BANK - 7 year (387230962)	10.09%	21/06/2021	1 076 690
ABSA BANK - 10 year (387230963)	10.63%	27/06/2024	5 186 045
ABSA - 5 year (3050777771)	8.95%	30/06/2024	2 000 000
ABSA - 7 year (3050777789)	9.19%	30/06/2026	2 500 000
ABSA - 10 year (3050777763)	9.62%	30/06/2029	3 288 700
NEDBANK - 15 year (05/78310356050)	10.45%	30/06/2034	2 631 579
Total		73 143 460	70 176 818
All annuity loans are unsecured.			

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

15 LONG-TERM LIABILITIES (CONTINUED)

Annuity loans are payable as follows:

Payable within one year	14 309 937	14 680 101
Payable within two to five years	53 462 137	47 153 240
Payable after five years	46 113 227	50 301 426
Total amount payable	113 885 301	112 134 766
Less: Outstanding Future Finance Charges	(40 741 841)	(41 957 948)
Present value of annuity loans	73 143 460	70 176 818

Stock Loans

Stock Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
DBSA BANK - 15 year (1022754)	9.39%	31/03/2022	1 553 169	1 553 169
DBSA BANK - 20 year (1022755)	9.29%	31/03/2027	8 469 800	8 469 800
DBSA BANK - 20 year (1014871)	9.46%	31/12/2024	6 000 000	6 000 000
DBSA BANK - 15 year (1014872)	9.77%	31/12/2019	1 000 000	1 000 000
Total			17 022 969	17 022 969

The fixed deposit as per note 14 serves as security for the stock loans.

Stock loans are payable as follows:

Payable within one year	2 553 815	1 598 596
Payable within two to five years	7 266 669	8 462 064
Payable after five years	17 116 487	18 474 906
Total amount payable	26 936 971	28 535 567
Less: Outstanding Future Finance Charges	(9 914 002)	(11 512 598)
Present value of stock loans	17 022 969	17 022 969

16 CONSUMER DEPOSITS

Water and Electricity Deposits	4 750 864	4 832 519
As previously reported		4 707 519
Correction of error restatement - note 48.4		125 000
Restated balance		4 832 519

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

17 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	23 955 862	20 465 024
Retentions	7 410 010	8 236 802
Payments Received in Advance	5 692 828	4 772 375
Department of Human Settlements	7 030 880	2 042 208
Unused Pre-paid Electricity	921 752	853 027
Sundry Deposits	2 228 969	2 884 962
Accrued Interest	874 617	1 018 849
Land Sales Deposits	119 203	404 144
Total	48 234 121	40 677 390
As previously reported		41 446 969
Correction of error restatement - note 48.5		(769 579)
Restated balance		40 677 390

Payables are being recognised net of any discounts received.

The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

Sundry deposits include hall, builders and housing deposits.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
18	UNSPENT CONDITIONAL GOVERNMENT GRANTS		
	National Government	29 107 839	1 303 675
	Provincial Government	12 153 673	15 519 678
	Other Grant Providers	380 438	273 932
	Total	41 641 950	17 097 285
<p>Detail reconciliations of all grants received and grant conditions met are included in note 25. Unspent grant balances are recognised to the extent that conditions are not yet met.</p> <p>No grants were withheld in the current year.</p> <p>Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.</p> <p>Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.</p>			
19	UNSPENT PUBLIC CONTRIBUTIONS		
	Hogeschool van Arnhem en Nijmegen (HAN)	259 792	421 637
	Industrial Development Corporation (IDC)	-	-
	Total	259 792	421 637
<p>Detail reconciliations of all public contributions received are included in note 26. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.</p> <p>Due to the short term nature of unspent public contributions, the carrying value approximates the fair value of the unspent public contribution at year-end.</p>			
20	CURRENT EMPLOYEE BENEFITS		
	Bonuses	4 688 468	4 484 454
	Staff Leave	13 215 605	12 723 890
	Performance Bonuses	466 224	715 325
	Pension	21 237	23 545
	Group Insurance	241 046	216 096
	Overtime	712 072	720 591
	Current portion of Non-Current Employee Benefits - note 21	2 176 324	1 932 417
	Post Retirement Medical Benefits	1 415 053	1 264 269
	Long Service Awards	761 271	668 148
	Total	21 520 976	20 816 318
<p>The movement in current employee benefits are reconciled as follows:</p> <p>Bonuses</p>			
	Opening Balance	4 484 454	4 030 661
	Contribution during the year	9 483 894	9 285 637
	Payments made	(9 279 881)	(8 831 844)
	Balance at the end of the year	4 688 468	4 484 454
<p>Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.</p>			

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
20	CURRENT EMPLOYEE BENEFITS (CONTINUED)		
	<u>Staff Leave</u>		
	Opening Balance	12 723 890	11 544 398
	Contribution during the year	1 460 685	1 863 662
	Payments made	(968 970)	(684 170)
	Balance at the end of the year	13 215 605	12 723 890
	Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.		
	<u>Performance Bonuses</u>		
	Opening Balance	715 325	1 062 639
	Contribution during the year	355 149	267 451
	Payments made	(604 250)	(614 765)
	Balance at the end of the year	466 224	715 325
	Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the Council. There is no possibility of reimbursement.		
	<u>Pension</u>		
	Opening Balance	23 545	31 333
	Payments made	(2 308)	(7 788)
	Balance at the end of the year	21 237	23 545
	Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.		
	<u>Group Insurance</u>		
	Opening Balance	216 096	199 843
	Fair Value adjustment during the year	24 950	16 253
	Balance at the end of the year	241 046	216 096
	Shares accruing and to be apportioned to staff contributing to the Sanlam Group insurance scheme. The timing of the payment is uncertain. The possibility of reimbursement is being investigated.		
	<u>Overtime</u>		
	Balance at beginning of year	720 591	467 232
	Contribution during the year	712 072	720 591
	Payments made	(720 591)	(467 232)
	Balance at end of year	712 072	720 591
	Overtime for staff worked in current financial year, but paid in next financial year.		
21	EMPLOYEE BENEFITS		
	Post Retirement Medical Benefits	38 922 418	44 815 773
	Long Service Awards	9 684 129	7 194 517
	Sub-Total	48 606 547	52 010 290
	Less: Current portion of Employee Benefits	2 176 324	1 932 417
	Post Retirement Medical Benefits	1 415 053	1 264 269
	Long Service Awards	761 271	668 148
	Total	46 430 223	50 077 873

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

21 EMPLOYEE BENEFITS (CONTINUED)

21.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

Opening Balance	44 815 773	43 058 819
Contribution during the year	7 289 633	6 915 551
Current Service Cost	3 028 927	2 795 800
Interest Cost	4 260 706	4 119 751
Payments made	(1 420 922)	(1 433 017)
Actuarial Loss/(Gain)	(11 762 066)	(3 725 580)
Total balance at year-end	38 922 418	44 815 773
Less: Current portion	(1 415 053)	(1 264 269)
Total	37 507 365	43 551 504

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service members	221	217
In-service non-members	413	416
Continuation members	35	33
Total	669	666

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	In-Service Members R	In-Service non-Members R	Continuation Members R	Total unfunded Liability R
30 June 2019	17 142 566	4 366 349	17 413 503	38 922 418
30 June 2018	24 701 954	5 513 647	14 600 172	44 815 773
30 June 2017	21 131 224	5 113 005	16 814 590	43 058 819
30 June 2016	19 996 232	5 562 422	17 943 240	43 501 894
30 June 2015	21 438 559	5 273 310	17 770 674	44 482 543

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2019	974 000	-
30 June 2018	(781 000)	-
30 June 2017	(1 098 000)	-
30 June 2016	(1 351 000)	-
30 June 2015	(68 000)	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas
LA Health
Hosmed
Samwumed
Keyhealth

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

21

EMPLOYEE BENEFITS (CONTINUED)

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	9.41%	9.64%
Health Care Cost Inflation Rate	6.87%	7.43%
Net Effective Discount Rate	2.38%	2.06%
Maximum Subsidy Inflation Rate	4.78%	5.20%
Net Discount Rate for Capped Subsidies	4.42%	4.22%

The discount rate used is a composite of all government bonds and is calculated using a technique that is known as "bootstrapping"

A discount rate of 9.41% per annum has been used. The corresponding index-linked yield at this term is 3.36%. These rates do not reflect any adjustment for taxation. These rates were deduced from the yield curve obtained from the Stock Exchange of South Africa after the market close on 28 June 2019.

ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 62 (2018: 60), which then implicitly allows for expected rates of early and ill-health retirement.

iv) Last Valuation

The last valuation was performed on 30 July 2019.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis - Liability at year-end

Assumption	In-service members (R)	Continuation members (R)	Total liability (R)	% change
Liability	21 508 915	17 413 503	38 922 418	
Health care inflation (+ 1%)	23 474 000	18 211 000	41 685 000	7%
Health care inflation (- 1%)	18 872 000	16 429 000	35 301 000	-9%
Discount rate (+ 1%)	17 809 000	15 975 000	33 784 000	-13%
Discount rate (- 1%)	26 322 000	19 096 000	45 418 000	17%
Post-retirement mortality (- 1 year)	22 044 000	17 991 000	40 035 000	3%
Average retirement age (- 1 year)	23 604 000	17 414 000	41 018 000	5%
Continuation of membership after retirement (- 10%)	16 543 000	17 414 000	33 957 000	-13%

Sensitivity Analysis - Future Service and Interest Cost

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2019/20	2 119 600	3 597 500	5 717 100	
Health care inflation (+ 1%)	2 319 200	3 857 100	6 176 300	8%
Health care inflation (- 1%)	1 840 500	3 257 000	5 097 500	-11%
Discount rate (+ 1%)	1 737 000	3 445 100	5 182 100	-9%
Discount rate (- 1%)	2 622 800	3 761 300	6 384 100	12%
Post-retirement mortality (- 1 year)	2 171 200	3 702 200	5 873 400	3%
Average retirement age (- 1 year)	2 274 000	3 794 700	6 068 700	6%
Continuation of membership after retirement (- 10%)	1 634 400	3 130 200	4 764 600	-17%

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

21 EMPLOYEE BENEFITS (CONTINUED)

21.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	7 194 517	6 696 850
Contribution during the year	1 300 709	1 188 507
Current Service Cost	708 056	662 548
Interest Cost	592 653	525 959
Payments made	(616 698)	(1 059 630)
Actuarial Loss/(Gain)	1 805 601	368 790
Total balance at year-end	9 684 129	7 194 517
Less: Current portion	(761 271)	(668 148)
Total	8 922 858	6 526 369

The Long Service Awards plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Awards	634	633
---	-----	-----

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

	Unfunded Liability R
30 June 2019	9 684 129
30 June 2018	7 194 517
30 June 2017	6 696 850
30 June 2016	6 299 489
30 June 2015	5 600 712

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2019	142 031	-
30 June 2018	482 659	-
30 June 2017	218 446	-
30 June 2016	222 964	-
30 June 2015	125 780	-

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	8.33%	8.63%
General Salary Inflation (long-term)	5.66%	6.22%
Net Effective Discount Rate applied to salary-related Long Service Awards	2.53%	2.27%

The discount rate used is a composite of all government bonds and is calculated using a technique that is known as "bootstrapping"

The discount rate of 8.33% per annum has been used. This is derived by using a liability-weighted average of the yields corresponding to the actual term until payment of long service awards, for each employee. The corresponding liability-weighted index-linked yield is 3.03%. These rates do not reflect any adjustment for taxation. These rates were deduced from the yield curve obtained from the Stock Exchange of South Africa after the market close on 28 June 2019.

ii) Last Valuation

The last valuation was performed on 30 July 2019.

iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

21

EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General salary inflation (+ 1%)	9 684 129	10 448 000	8%
General salary inflation (- 1%)	9 684 129	9 002 000	-7%
Discount rate (+ 1%)	9 684 129	8 986 000	-7%
Discount rate (- 1%)	9 684 129	10 481 000	8%
Average retirement age (- 2 years)	9 684 129	8 669 000	-10%
Average retirement age (+ 2 years)	9 684 129	10 894 000	12%
Withdrawal rates (- 50%)	9 684 129	11 387 000	18%

Sensitivity Analysis on the Current-service and Interest Costs (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total(R)	% Change
Estimated for 2019/20	973 100	775 600	1 748 700	
General salary inflation (+ 1%)	1 069 900	839 300	1 909 200	9%
General salary inflation (- 1%)	888 200	718 800	1 607 000	-8%
Discount rate (+ 1%)	894 800	803 700	1 698 500	-3%
Discount rate (- 1%)	1 063 600	740 800	1 804 400	3%
Average retirement age (- 2 years)	883 900	691 700	1 575 600	-10%
Average retirement age (+ 2 years)	1 080 400	876 000	1 956 400	12%
Withdrawal rates (- 50%)	1 223 300	917 500	2 140 800	22%

21.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	138 166	148 323
---	---------	---------

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2018 revealed that the fund is in an sound financial position with a funding level of 103.7% (30 June 2017 - 102.6%).

Consolidated Retirement Fund (Former Cape Retirement Fund)	18 265 310	16 947 786
--	------------	------------

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund is in a sound financial position with a funding level of 100.3% (30 June 2016 - 100.6%).

Total	18 403 476	17 096 108
--------------	-------------------	-------------------

Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

21 EMPLOYEE BENEFITS (CONTINUED)

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

Defined Contribution Plans

Council contributes to the following defined contribution plans:

Municipal Councillors Pension Fund	41 956	34 552
SALA Pension Fund	118 167	146 650
SAMWU National Provident Fund	2 243 513	2 188 843
IMATU Provident Fund	103 715	45 606
Total	2 507 351	2 415 651

The retirement benefit funds are subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

22 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	94 980 327	83 931 240
--	-------------------	-------------------

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	83 931 240	77 229 586
Contribution during the year	11 049 086	6 701 654
Increase/(Decrease) in estimate allocated to Capital Restoration Cost Asset	6 034 437	2 156 302
Increase/(Decrease) in estimate allocated to Statement of Financial Performance	(148 272)	(242 353)
Interest Cost	5 162 921	4 787 705
Expenditure incurred	-	-
Total balance at year-end	94 980 327	83 931 240
Less: Current portion	-	-
Total	94 980 327	83 931 240

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life. The total obligation at year-end can be attributed to the following sites:

Location	Site Dimensions	Estimated Decommission Date	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Caledon	59 661 m2	2021	33 206 467	29 307 353
Genadendal	20 490 m2	2024	12 676 767	9 448 816
Greyton	16 978 m2	2024	10 843 227	9 672 572
Riviersonderend	10 720 m2	2024	9 780 745	9 021 875
Villiersdorp	21 110 m2	2021	13 694 589	12 418 815
Botriver	17 537 m2	2021	14 778 532	14 061 810
Total			94 980 327	83 931 240

A retrospective calculation of time value of money, based on an average weighted investment rate of prime less 4%, was used. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
23	RESERVES		
	Capital Replacement Reserve	20 822 188	12 425 354
	The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
24	PROPERTY RATES		
	Rateable Land and Buildings	101 759 520	98 144 521
	Total	101 759 520	98 144 521
	As previously reported		98 396 554
	Correction of error restatement - note 48.1		(252 033)
	Restated balance		98 144 521
	Property rate levied are based on the following rateable valuations:		
	Residential (including Residential Vacant)	6 421 081 737	5 206 211 300
	Business and Commercial (Including vacant)	1 862 425 500	1 205 349 000
	Industrial (Including vacant)	298 583 000	-
	Mining	3 174 000	-
	Public benefit Organizations	98 480 000	23 825 500
	Public Service Infrastructure	51 423 500	-
	Public Service Purposes (formerly included in State-owned)	547 618 500	366 483 000
	Agricultural	15 891 893 000	7 890 329 750
	Total Valuation	25 174 679 237	14 692 198 550
	Rate that is applicable to the valuations above:		
	Residential (including Residential Vacant)	0.7924 c/R	1.0030 c/R
	Business and Commercial (Including vacant)	1.5847 c/R	2.2376 c/R
	Industrial (Including vacant)	1.5847 c/R	-
	Mining	1.5847 c/R	-
	Public benefit Organizations	0.1981 c/R	0.2508 c/R
	Public Service Infrastructure	0.1981 c/R	-
	Public Service Purposes (formerly included in State-owned)	1.5847 c/R	2.2376 c/R
	Agricultural	0.1390 c/R	0.2508 c/R
	Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.		
	Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.		
	Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.		
	The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.		
	A further R85 000 on the valuation is exempt from property rates for all residential properties valued R200 000 or less.		

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

25 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants - National Government

87 385 000

77 911 000

Equitable Share

87 385 000

77 911 000

Conditional Grants - National Government

29 692 413

41 055 410

Finance Management Grant (FMG)

1 700 000

1 700 000

Municipal Infrastructure Grant (MIG)

25 927 269

27 043 791

Expanded Public Works Programme (EPWP)

1 451 000

1 622 822

Integrated National Electrification Programme (INEP)

374 577

7 625 424

Municipal Drought Relieve (MDR)

239 567

2 885 764

Public Works

-

177 609

Conditional Grants - Provincial Government

32 900 893

27 673 200

Housing

21 771 228

16 440 552

Housing - Title Deeds

934 257

240 258

CDW Contribution

37 467

84 489

Thusong Multi Purpose Centre

64 408

459 704

Main Roads Subsidy

113 370

85 132

Financial Support Grant

1 211 187

330 000

Library Subsidy

8 056 217

7 499 090

Municipal Capacity Building Grant

336 461

363 400

Local Government Graduate Internship Allocation

-

40 000

Municipal Disaster Recovery (Water Supply Grant)

-

2 130 575

Sport and Recreation

376 298

-

Conditional Grants - Other Grant Providers

478 133

494 826

DBSA Local Economic Development

-

234 178

SETA

443 046

260 648

SANRAL

29 807

-

Economic Development

5 280

-

Total

150 456 439

147 134 436

Disclosed as:

Government Grants and Subsidies - Operating

116 115 262

96 988 944

Government Grants and Subsidies - Capital

34 341 177

50 145 492

Total

150 456 439

147 134 436

Grants per Vote (MFMA Sec 123 (c)):

Equitable share

87 385 000

77 911 000

Vote 1 - Budget and treasury office

6 600 062

6 576 376

Vote 2 - Community and social services

8 056 216

7 499 090

Vote 3 - Corporate services

24 517 759

25 720 741

Vote 4 - Electricity

325 719

6 688 968

Vote 6 - Executive and council

37 467

84 489

Vote 7 - Housing

22 705 485

16 858 419

Vote 8 - Planning and development

69 688

693 881

Vote 10 - Road transport

143 177

85 132

Vote 11 - Sport and Recreation

376 298

-

Vote 14 - Water

239 567

5 016 340

Total

150 456 439

147 134 436

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

25 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

25.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received	87 385 000	77 911 000
Transferred to Revenue - Operating	(87 385 000)	(77 911 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

25.02 Finance Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received	1 700 000	1 700 000
Transferred to Revenue - Operating	(1 700 000)	(1 700 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.

25.03 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	910 078	1 549 184
Grants Received	25 052 000	26 404 685
Transferred to Revenue - Operating	(3 903 557)	(4 096 520)
Transferred to Revenue - Capital	(22 023 712)	(22 947 271)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	34 809	910 078

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

25.04 Expanded Public Works Programme (EPWP)

Opening Unspent Balance	-	1 822
Grants Received	1 451 000	1 621 000
Transferred to Revenue - Operating	(1 451 000)	(1 622 822)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
25	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
25.05	Integrated National Electrification Programme (INEP)		
	Opening Unspent Balance	-	-
	Grants Received	5 000 000	3 000 000
	Transferred to Revenue - Operating	(48 858)	(936 456)
	Transferred to Revenue - Capital	(325 719)	(6 688 968)
	Transfer to / (from) Receivables	(4 625 424)	4 625 424
		<u>-</u>	<u>-</u>
	Closing Unspent Balance	<u>-</u>	<u>-</u>
	The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.		
25.06	Municipal Drought Relieve (MDR)		
	Opening Unspent Balance	248 016	-
	Grants Received	-	3 133 780
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	(239 567)	(2 885 764)
	Transfer to / (from) Receivables	-	-
		<u>8 449</u>	<u>248 016</u>
	Closing Unspent Balance	<u>8 449</u>	<u>248 016</u>
	The grant will be utilised for boreholes.		
25.07	Public Works		
	Opening Unspent Balance	145 581	-
	Grants Received	-	323 190
	Transferred to Revenue - Operating	-	(23 190)
	Transferred to Revenue - Capital	-	(154 419)
	Transfer to / (from) Receivables	-	-
		<u>145 581</u>	<u>145 581</u>
	Closing Unspent Balance	<u>145 581</u>	<u>145 581</u>
	This grant will utilised for security in Grabouw.		
25.08	Water and Sanitation		
	Opening Unspent Balance	-	-
	Grants Received	28 919 000	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Transfer to / (from) Receivables	-	-
		<u>28 919 000</u>	<u>-</u>
	Closing Unspent Balance	<u>28 919 000</u>	<u>-</u>
	This grant will be utilised for the development of water resources.		
25.09	Housing		
	Opening Unspent Balance	7 171 718	6 537 963
	Grants Received	17 568 056	17 074 307
	Transferred to Revenue - Operating	(10 658 777)	(1 119 466)
	Transferred to Revenue - Capital	(11 112 451)	(15 321 086)
	Transfer to / (from) Receivables	-	-
		<u>2 968 546</u>	<u>7 171 718</u>
	Closing Unspent Balance	<u>2 968 546</u>	<u>7 171 718</u>
	Housing grants was utilised for the development of erven and the erection of top structures.		

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

25 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

25.10 Housing - Title Deeds

Opening Unspent Balance	6 415 742	-
Grants Received	862 176	6 656 000
Transferred to Revenue - Operating	(934 257)	(240 258)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	6 343 661	6 415 742

This grant will be utilised to transfers properties to the respective beneficiaries.

25.11 CDW Contribution

Opening Unspent Balance	37 467	-
Grants received	-	130 000
Transferred to Revenue - Operating	(37 467)	(84 489)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	(8 044)
Closing Unspent Balance	-	37 467

The CDW Contribution was used to finance the activities of Community Development Workers.

25.12 Thusong Multi Purpose Centre

Opening Unspent Balance	135 001	12 705
Grants received	-	582 000
Transferred to Revenue - Operating	(64 408)	(442 295)
Transferred to Revenue - Capital	-	(17 409)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	70 593	135 001

The grant is intended to be utilised for the improvement of financial governance.

25.13 Main Roads Subsidy

Opening Unspent Balance	51 481	31 800
Grants received	117 000	104 813
Transferred to Revenue - Operating	(113 370)	(85 132)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	55 111	51 481

The subsidy is utilised for the maintenance of the provincial main roads which runs through the town centres.

25.14 Financial Support Grant

Opening Unspent Balance	350 000	-
Grants received	1 330 000	680 000
Transferred to Revenue - Operating	(1 211 187)	(330 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	468 813	350 000

The grant is intended to be utilised for the improvement of financial governance.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
25	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
25.15	Library Subsidy		
	Opening Unspent Balance	192 244	-
	Grants received	8 326 656	7 718 000
	Transferred to Revenue - Operating	(7 822 594)	(7 499 090)
	Transferred to Revenue - Capital	(233 623)	-
	Transfer to / (from) Receivables	-	(26 666)
	Closing Unspent Balance	462 683	192 244
	The subsidy is utilised for the operational costs of libraries which is a provincial function.		
25.16	Municipal Capacity Building Grant		
	Opening Unspent Balance	576 600	700 000
	Grants Received	930 000	240 000
	Transferred to Revenue - Operating	(336 461)	(363 400)
	Transferred to Revenue - Capital	-	-
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	1 170 139	576 600
	To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.		
25.17	Local Government Graduate Internship Allocation		
	Opening Unspent Balance	20 000	60 000
	Grants Received	-	-
	Transferred to Revenue - Operating	-	(40 000)
	Transferred to Revenue - Capital	-	-
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	20 000	20 000
	This grant will be utilised for the recruitment of interns.		
25.18	Municipal Disaster Recovery (Water Supply Grant)		
	Opening Unspent Balance	569 425	-
	Grants Received	-	2 700 000
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	(2 130 575)
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	569 425	569 425
	This grant will be utilised for boreholes.		
25.19	Sport and Recreation		
	Opening Unspent Balance	-	-
	Grants Received	401 000	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	(376 298)	-
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	24 702	-
	This grant will be utilised for boreholes.		

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
25	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
25.20	DBSA Local Economic Development		
	Opening Unspent Balance	-	234 178
	Grants Received	141 593	-
	Transferred to Revenue - Operating	-	(234 178)
	Transferred to Revenue - Capital	-	-
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	141 593	-
	This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton.		
25.21	SETA		
	Opening Unspent Balance	-	-
	Grants Received	443 046	260 648
	Transferred to Revenue - Operating	(443 046)	(260 648)
	Transferred to Revenue - Capital	-	-
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	-	-
	This grant is for the training and development of municipal officials.		
25.22	SANRAL		
	Opening Unspent Balance	203 757	-
	Grants Received	-	356 522
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	(29 807)	-
	Transfer to / (from) Receivables	-	(152 765)
	Closing Unspent Balance	173 950	203 757
	This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.		
25.23	Economic Development		
	Opening Unspent Balance	70 175	-
	Grants Received	-	70 175
	Transferred to Revenue - Operating	(5 280)	-
	Transferred to Revenue - Capital	-	-
	Transfer to / (from) Receivables	-	-
	Closing Unspent Balance	64 895	70 175
	This grant will be utilised for local economic development.		
25.24	Total Grants		
	Opening Unspent Balance	17 097 285	9 127 652
	Grants Received	179 626 528	150 666 120
	Transferred to Revenue - Operating	(116 115 262)	(96 988 944)
	Transferred to Revenue - Capital	(34 341 177)	(50 145 492)
	Transfer to / (from) Receivables	(4 625 424)	4 437 949
	Closing Unspent Balance	41 641 950	17 097 285

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
26	PUBLIC CONTRIBUTIONS AND DONATIONS		
	Hogeschool van Arnhem en Nijmegen (HAN)	603 175	1 068 023
	Industrial Development Corporation (IDC)	-	162 158
	Total	603 175	1 230 181
	The movements per grant can be summarised as follows:		
26.01	Hogeschool van Arnhem en Nijmegen (HAN)		
	Opening Unspent Balance	421 636	143 847
	Grants Received	441 330	1 345 812
	Transferred to Revenue - Operating	(603 175)	(1 068 023)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	259 792	421 636
	The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.		
26.02	Industrial Development Corporation (IDC)		
	Opening Unspent Balance	-	162 158
	Grants Received	-	-
	Transferred to Revenue - Operating	-	(162 158)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	The grant is for the promotion of local economic development and tourism.		
26.03	Total Public Contributions and donations		
	Opening Unspent Balance	421 636	306 005
	Grants Received	441 330	1 345 812
	Transferred to Revenue - Operating	(603 175)	(1 230 181)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	259 792	421 636
27	FINES, PENALTIES AND FORFEITS		
	Overdue Books	14 826	21 295
	Traffic	39 183 500	47 949 900
	Pound Fees	349 954	244 619
	Unclaimed Money	1 759 796	19 330
	Total	41 308 076	48 235 143
	As previously reported		48 988 804
	Correction of error restatement 48.1		(772 991)
	Correction of error restatement 48.5		19 330
	Restated balance		48 235 143
	In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year are recognised as revenue.		
28	ACTUARIAL GAINS		
	Post Retirement Medical Benefits	11 762 066	3 725 580
	Total	11 762 066	3 725 580

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
29	REVERSAL OF IMPAIRMENTS		
	Investment Property	1 601 772	-
	Property, Plant and Equipment - Land and Buildings	2 585 000	-
	Total	4 186 772	-
	The reversal of impairment is as a result of an increase in property values as per the latest valuation roll.		
30	CONTRIBUTED ASSETS		
	Property, Plant and Equipment	13 183 602	271 756
	Contributed Assets relates to a Toy Library (R1 383 602) and Resource Centre (R11 800 000) which were donated to the Municipality from an area-based community development organisation (R12 513 602) and suppliers (R670 000).		
31	SERVICE CHARGES		
	Electricity	90 571 983	82 618 656
	Water	77 365 745	66 977 101
	Refuse Removal	43 549 828	37 009 566
	Sewerage and Sanitation	40 549 925	33 563 461
	Total Revenue	252 037 481	220 168 784
	Less: Rebates	(28 392 805)	(19 459 117)
	Electricity	(2 994 536)	(2 744 337)
	Water	(4 997 486)	(3 192 798)
	Refuse Removal	(10 863 059)	(7 151 001)
	Sewerage and Sanitation	(9 537 725)	(6 370 980)
	Total	223 644 676	200 709 668
	As previously reported		202 204 928
	Correction of error restatement - note 48.1		(1 495 260)
	Restated balance		200 709 668
	Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.		
32	RENTAL OF FACILITIES AND EQUIPMENT		
	Buildings and Commonage	1 593 711	1 587 216
	Halls and Sportfields	216 881	255 638
	Total	1 810 592	1 842 854
33	AGENCY SERVICES		
	Drivers Licences	1 798 295	1 848 525
	Duplicate Registration	94 677	92 400
	Instructor Certificate	1 453	2 942
	Learners	195 232	201 058
	Roadworthy Applications	271 390	310 383
	Roadworthy Certificates	53 955	60 522
	Special Permits	31 968	31 104
	Temporary Permits	26 466	18 480
	Vehicle Licences	3 237 822	3 123 776
	Vehicle Registration	1 186 771	984 886
	Total	6 898 029	6 674 076
	As previously reported		5 357 963
	Correction of error restatement - note 48.5		1 316 113
	Restated balance		6 674 076

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
34	LICENCES AND PERMITS		
	Trading	35 678	31 176
	Total	35 678	31 176
35	OTHER INCOME		
	Building Plan Approval	1 229 730	1 759 220
	Cemetery and Burial	585 174	599 940
	Development Charges	973 552	147 367
	Photocopies and Faxes	76 773	85 836
	Building Plans Clause Levy, Sub-division and Consolidation Fees	529 139	590 011
	Escort Fees	40 422	51 882
	Sundry Income	1 334 323	1 649 042
	Total	4 769 113	4 883 297
36	EMPLOYEE RELATED COSTS		
	Basic Salaries and Wages	122 411 269	114 804 999
	Pension and UIF Contributions	22 207 429	20 710 237
	Medical Aid Contributions	6 861 249	6 243 445
	Overtime	7 644 525	6 725 965
	Motor Vehicle Allowance	8 834 074	9 182 704
	Cellphone Allowance	671 935	622 815
	Housing Allowances	1 652 912	1 277 643
	Other benefits and allowances	6 332 480	5 906 802
	Acting Allowance	774 253	999 096
	Bargaining Council	68 653	68 632
	Entertainment Allowance	-	600
	Group Life Insurance	1 338 629	1 341 323
	Standby Allowance	4 150 945	3 497 151
	Contributions to Employee Benefits	15 036 711	14 607 647
	Bonuses	9 839 043	9 285 637
	Staff Leave	1 460 685	1 863 662
	Long Service Awards	708 056	662 548
	Post Retirement Medical Benefits	3 028 927	2 795 800
	Workmen's Compensation	1 173 297	961 804
	Total	192 825 882	181 044 060
	Remuneration of Management Personnel		
	The Municipal Manager is appointed until the next local government election. The Director Operational Services contract expires on 31 August 2019. The Director Financial Services is appointed on a 10-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract period. Acting allowances are immaterial.		
	Municipal Manager - GF Matthyse (appointed March 2018)		
	Annual Remuneration	1 330 824	480 374
	Travelling Allowance	72 000	24 000
	Contributions to UIF, Medical and Pension Funds	-	-
	Performance Bonus	54 628	-
	Total	1 457 452	504 374

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
36	EMPLOYEE RELATED COSTS (CONTINUED)		
	Municipal Manager - HSD Wallace (contract expired October 2016)		
	Annual Remuneration	-	-
	Travelling Allowance	-	-
	Contributions to UIF, Medical and Pension Funds	-	-
	Performance Bonus	58 173	195 793
	Total	58 173	195 793
	Director: Development Services - MH Gxoyiya (contract expired January 2017)		
	Annual Remuneration	-	-
	Travelling Allowance	-	-
	Contributions to UIF, Medical and Pension Funds	-	-
	Performance Bonus	-	141 611
	Total	-	141 611
	Director: Financial Services - D Louw		
	Annual Remuneration	841 320	818 226
	Travelling Allowance	108 000	108 000
	Contributions to UIF, Medical and Pension Funds	197 373	194 527
	Performance Bonus	252 916	138 524
	Total	1 399 610	1 259 277
	Director: Operational Services - J Barnard		
	Annual Remuneration	1 073 056	1 014 901
	Travelling Allowance	62 428	62 428
	Contributions to UIF, Medical and Pension Funds	217 900	210 381
	Performance Bonus	238 533	138 837
	Total	1 591 917	1 426 547
	Director: Technical Services - CW van Heerden (contract expired November 2016)		
	Annual Remuneration	-	-
	Travelling Allowance	-	-
	Contributions to UIF, Medical and Pension Funds	-	-
	Performance Bonus	-	141 611
	Total	-	141 611
37	REMUNERATION OF COUNCILLORS		
	Executive Mayor	896 677	888 471
	Deputy Executive Mayor	638 415	718 722
	Speaker	712 966	691 494
	Mayoral Committee Members	3 389 889	3 221 193
	Other Councillors	6 068 959	6 018 908
	Total	11 706 906	11 538 787
	In-kind Benefits		
	The Executive Mayor, Deputy Executive Mayor, Speaker and five Mayoral Committee members serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.		
	Councillors may utilize municipal transportation when engaged in official duties.		

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
38	DEBT IMPAIRMENT		
	Receivables from Exchange Transactions	43 954 671	41 243 198
	Receivables from Non-Exchange Transactions	31 940 822	42 072 859
	Total Debt Impairment	75 895 493	83 316 058
	Movement in VAT included in debt impairment	(1 549 822)	(1 342 625)
	Total	74 345 671	81 973 432
39	DEPRECIATION AND AMORTISATION		
	Property, Plant and Equipment	20 090 530	23 358 361
	Investment Property	60 855	60 855
	Intangible Assets	147 524	162 397
	Total	20 298 909	23 581 613
40	IMPAIRMENT		
	Land and Buildings	-	349 837
	Capitalised Restoration Cost	511 847	190 250
	Total	511 847	540 087
41	ACTUARIAL LOSSES		
	Post Retirement Medical Benefits	-	-
	Long Service Awards	1 805 601	368 790
	Total	1 805 601	368 790
42	FINANCE CHARGES		
	Cash	8 682 626	9 576 269
	Long-term Liabilities	8 682 626	9 576 269
	Non-cash	10 016 280	9 433 415
	Post Retirement Medical Benefits	4 260 706	4 119 751
	Long Service Awards	592 653	525 959
	Rehabilitation of Landfill Sites	5 162 921	4 787 705
	Total	18 698 906	19 009 684
43	BULK PURCHASES		
	Electricity	61 539 643	54 930 226
	Water	14 841 878	12 161 256
	Total	76 381 521	67 091 482
	Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including DWA, Overberg Water and a number of private suppliers.		

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
44	CONTRACTED SERVICES		
	Alien Vegetation Control	321 773	550 990
	Business and Financial Management	4 532 653	3 433 824
	Caledon Solid Waste Site	3 063 026	1 848 922
	Clearing and Grass Cutting Services	288 820	189 982
	Copier Costs	317 014	339 569
	Drivers Licence Cards	508 286	522 111
	Electrical Contractors	1 020 681	600 520
	Engineering - Civil	778 599	484 825
	Fire Services	1 704 217	1 750 905
	Legal Advice	979 236	938 743
	Maintenance Services	15 319 724	13 155 665
	Management of Informal Settlements	490 163	204 117
	Research and Advisory	717 528	548 966
	Personnel and Labour	2 523 841	529 545
	Security Services	693 258	705 807
	Traffic Fines Management	1 876 365	1 674 748
	Translators, Scribes and Editors	153 085	149 277
	Valuation Services	750 833	1 115 714
	Water Tests	631 154	607 020
	Other Contracted Services	1 567 319	1 228 076
	Total	38 237 575	30 579 325
	As previously reported		23 686 752
	Correction of error restatement - note 48.5		536 985
	Reclassification - note 49.3		6 355 587
	Restated balance		30 579 325
	Other Contracted Services consist out of a variety of services, including but not limited to the following:		
	- Animal Care		
	- Catering Services		
	- Human Resources		
	- Audit Committee		
45	TRANSFERS AND GRANTS		
	Indigent Subsidies - Electricity	2 510 036	2 377 804
	Sport Councils	117 245	98 376
	Tourism Boards	15 000	-
	Total	2 642 281	2 476 180
	As previously reported		2 377 804
	Reclassification - note 49.3		98 376
	Restated balance		2 476 180

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
46	OTHER EXPENDITURE		
	Advertising, Publicity and Marketing	518 767	624 479
	Audit Fees	4 081 577	2 608 148
	Bank Charges	571 774	508 609
	Commission Paid (Electricity)	1 717 582	1 442 392
	Electricity - Escom	8 117 274	5 765 525
	Computer Services and Licences	4 461 421	5 728 073
	Dumping fees (Karwyderskraal)	1 484 759	1 095 651
	Fuel Cost	5 173 635	4 680 080
	Full Time Union Representative	184 388	131 510
	Hire Charges	2 282 120	1 062 636
	Insurance	1 703 891	1 364 480
	Maintenance Materials	7 924 192	6 469 755
	Management Fees	806 128	760 599
	Material and protective clothing	904 692	1 354 749
	Membership fees	1 975 918	1 902 510
	Operating Grant expenditure (Housing Top Structures)	10 401 990	221 784
	Postage	158 175	127 622
	Printing and stationery	908 555	847 784
	Refuse bags	375 825	326 406
	Skills development levy	1 613 131	1 489 040
	Telephone	848 773	810 224
	Training	662 623	571 863
	Travel and subsistence	643 418	465 589
	Ward Committees	173 950	188 274
	Water Purification	1 501 658	1 386 146
	Sundries and Other Consumables	3 783 776	3 073 121
	Total	62 979 990	45 007 047
	As previously reported		30 354 142
	Correction of error restatement - note 48.5		459 530
	Reclassification - note 49.3		14 193 375
	Restated balance		45 007 047
47	GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS		
	Proceeds	780 337	295 000
	Less: Carrying value of Investment Property disposed	-	(258 882)
	Less: Carrying value of Property, Plant and Equipment disposed	(1 748 773)	(2 395 043)
	Less: Carrying value of Intangible Assets disposed	(58 726)	-
	Total	(1 027 163)	(2 358 925)

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

48.1 Receivables from Exchange and Non-Exchange Transactions

Receivables from Exchange Transactions contained the following errors:

- Industrial flow for both the 2016/17 and 2017/18 financial years was incorrectly calculated, resulting that Receivables from Exchange Transactions was overstated by R1 668 198, while Revenue and Accumulated Surplus were respectively overstated by R311 598 and R1 356 599.
- Internal charges pertaining to June 2018 was not cleared, resulting that Receivables were overstated by R1 675 096, while Revenue and Accumulated Surplus were respectively overstated by R1 467 826 and R207 270.
- Retention Forfeits amounting to R772 991 was incorrectly raised as Revenue, resulting that Revenue and Receivables from Exchange Transactions were overstated.
- Accrued interest amounting to R100 599 on the primary bank account was not recorded resulting in both Receivables from Exchange Transactions and Revenue being understated.

The net effect of the above-mentioned errors were as follow:

- Receivables from Exchange Transactions - note 3	Overstated	(3 763 653)
- Receivables from Non-Exchange Transactions - note 4	Overstated	(252 033)
- Property Rates - note 24	Overstated	(252 033)
- Fines, Penalties and Forfeits - note 27	Overstated	(772 991)
- Service Charges - note 31	Overstated	(1 495 260)
- Interest Earned - External Investments - note 48.7	Understated	100 599
- Interest Earned - Outstanding Debtors - note 48.7	Overstated	(32 132)
- Accumulated Surplus - note 48.6	Overstated	(1 563 869)

48.2 Investment Property

It was noted that properties with a carrying value amounting to R116 600 were not recorded on the asset register.

The net effect of the above-mentioned errors were as follow:

- Investment Property - note 10	Understated	116 600
- Accumulated Surplus - note 48.6	Understated	116 600

48.3 Property, Plant and Equipment

Property, Plant and Equipment contained the following errors:

- It was noted that movable assets with a carrying value amounting to R255 545 were not recorded on the asset register.
- Capitalised Restoration Cost was previously separately disclosed on the face of the Statement of Financial Position. This was deemed inappropriate in terms of GRAP 17, and subsequently removed to be included in the balance Property, Plant and Equipment.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 11	Understated	6 835 143
- Capitalised Restoration Cost (line item removed)	Overstated	(6 579 598)
- Accumulated Surplus - note 48.6	Understated	255 545

48.4 Consumer Deposits

Consumer Deposits receipts amounting to R125 000 was previously incorrectly recognised as Revenue, rather than Consumer Deposits.

The net effect of the above-mentioned errors were as follow:

- Consumer Deposits - note 16	Understated	125 000
- Accumulated Surplus - note 48.6	Overstated	(125 000)

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

48.5 Payables from exchange transactions

Payables from Exchange Transactions contained the following errors:

- Expenditure was directly allocated to a creditors control account, rather than to the respective expenditure accounts. Accordingly, Payables from Exchange Transactions were overstated by R516 158, while Taxes and Expenditure were respectively understated by R52 027 and R464 131.
- The agency service control account for the Department of Transport had a balance as on 30 June 2018. The balances was investigated and it was noted that the account contained Revenue, Expenditure and Taxes which were not transacted correctly. Accordingly, Payables from Exchange Transactions were overstated by R1 440 862, while Taxes were overstated by R657 133. Revenue and Expenditure were respectively understated by R1 316 113 and R532 384.
- Unclaimed deposits amounting to R19 330 which were older than 12 months were not recognised as income, resulting that Payables from Exchange Transactions were overstated and Revenue understated.

The net effect of the above-mentioned errors were as follow:

- Receivables from Non-Exchange Transactions - note 4	Understated	174 455
- Taxes - note 6	Overstated	(605 106)
- Payables from exchange transactions - note 17	Overstated	(769 579)
- Fines, Penalties and Forfeits - note 27	Understated	19 330
- Agency Services - note 33	Understated	1 316 113
- Contracted Services - note 44	Understated	536 985
- Other Expenditure - note 46	Understated	459 530

48.6 Accumulated Surplus

The net effect of the above-mentioned errors were as follow on Accumulated Surplus:

- Receivables from Exchange and Non-Exchange Transactions - note 48.1	(1 563 869)
- Investment Property - note 48.2	116 600
- Property, Plant and Equipment - note 48.3	255 545
- Consumer Deposits - note 48.4	(125 000)
Total	<u>(1 316 724)</u>

48.7 Statement of Financial Performance

Interest Earned - External Investments	8 258 086
As previously reported	8 157 487
Correction of error restatement - note 48.1	100 599
Interest Earned - Outstanding Debtors	10 307 713
As previously reported	10 339 844
Correction of error restatement - note 48.1	(32 132)

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

49 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATIONS

49.1 Repairs and Maintenance

The Accounting Standards Board (ASB) issued a FAQ which states that the line item "Repairs and Maintenance" is no longer permitted in the Statement of Financial Performance, and that the said expenditure should be reclassified by its nature. Accordingly all "Repairs and Maintenance" expenditure was respectively reallocated to "Contracted Services" and "Other Expenditure" and classified by their nature as follow:

Item	Previous Classification	Revised Classification	Amount
Maintenance Services	Repairs and Maintenance	Contracted Services	13 155 665
Hire Charges	Repairs and Maintenance	Other Expenditure	1 037 982
Maintenance Materials	Repairs and Maintenance	Other Expenditure	6 441 234
Other immaterial items	Repairs and Maintenance	Other Expenditure	12 457

49.2 Contracted Services and Other Expenditure

Management reviewed the current classifications in the current year and concluded to reclassify the following items, mainly to be in line with the mSCOA reporting requirements.

Item	Previous Classification	Revised Classification	Amount
Legal Advice	Other Expenditure	Contracted Services	938 743
Water Tests	Other Expenditure	Contracted Services	607 020
Sport Councils	Other Expenditure	Transfers and Grants	98 376
Commission Paid (Electricity)	Contracted Services	Other Expenditure	1 442 392
Computer Services and Licences	Contracted Services	Other Expenditure	5 728 073
Dumping fees (Karwyderskraal)	Contracted Services	Other Expenditure	1 095 651
Other immaterial items	Contracted Services	Other Expenditure	79 725

49.3 Summary of Reclassifications

The above mentioned reclassifications effected the following line items:

Expenditure

- Repairs and Maintenance (this line item was removed from the Statement of Financial Performance)	(20 647 338)
- Contracted Services	6 355 587
- Transfers and grants	98 376
- Other Expenditure	14 193 375

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

50 NET CASH FROM OPERATING ACTIVITIES

Net Surplus for the year	88 636 610	67 152 491
Adjusted for:		
Non-cash revenue included in Net Surplus	(29 187 602)	(4 232 843)
Actuarial Gains	(11 762 066)	(3 725 580)
Reversal of Impairments	(4 186 772)	-
Contributed Assets	(13 183 602)	(271 756)
Rental of Facilities and Equipment - decrease in operating lease asset	93 110	6 846
Change in Provisions for Restoration of Landfill Site	(148 272)	(242 353)
Non-cash expenditure included in Net Surplus	123 779 204	133 868 205
Employee Related Costs - Contributions towards	15 773 733	15 611 943
Post Retirement Medical Benefits	3 028 927	2 795 800
Long Service Awards	708 056	662 548
Bonuses	9 483 894	9 285 637
Staff Leave	1 460 685	1 863 662
Performance Bonuses	355 149	267 451
Group Insurance	24 950	16 253
Overtime	712 072	720 591
Debt Impairment	74 345 671	81 973 432
Depreciation and Amortisation	20 298 909	23 581 613
Impairment	511 847	540 087
Actuarial Losses	1 805 601	368 790
Finance Charges	10 016 280	9 433 415
Post Retirement Medical Benefits	4 260 706	4 119 751
Long Service Awards	592 653	525 959
Provision for Rehabilitation of Landfill-sites	5 162 921	4 787 705
Loss on disposal of Non-Monetary Assets	1 027 163	2 358 925
Cash expenditure not included in Net Surplus	(13 613 620)	(13 098 446)
Post Retirement Medical Benefits	(1 420 922)	(1 433 017)
Long Service Awards	(616 698)	(1 059 630)
Bonuses	(9 279 881)	(8 831 844)
Staff Leave	(968 970)	(684 170)
Performance Bonuses	(604 250)	(614 765)
Pension	(2 308)	(7 788)
Overtime	(720 591)	(467 232)
Operating Surplus before changes in working capital	169 614 592	183 689 407
Movement in working capital	(41 958 774)	(88 354 755)
Long-term Receivables	25 257	2 704 302
Receivables from Exchange Transactions	(51 242 044)	(46 757 887)
Receivables from Non-Exchange Transactions	(32 401 793)	(44 963 723)
Unpaid Conditional Government Grants	4 625 423	(4 437 948)
Taxes	4 901 956	(3 675 665)
Inventory	192 875	(877 647)
Payables from exchange transactions	7 556 731	1 568 548
Unspent Conditional Government Grants	24 544 665	7 969 633
Unspent Public Contributions	(161 845)	115 632
Cash Flow from Operating Activities	127 655 818	95 334 652

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>	2019	2018
------------------------	------	------

51 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	87 515 246	23 234 967
Call and Notice Deposits	43 414 553	40 655 244
Cash Floats	10 350	10 350
Total	130 940 149	63 900 561

Refer to note 2 for more details relating to cash and cash equivalents.

52 BUDGET COMPARISONS

52.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats. The following items are affected by these classification differences:

Statement of Financial Position

Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.

Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.

Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

Statement of Financial Performance

The statement of financial performance is comparable on a line by line basis except for the following items:

The budget statements does not provide for all the different revenue classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Revenue in the budget statement.

Depreciation and Amortisation and Impairments are aggregated on the budget statements while it is shown separately on the Statement of Financial Performance

The budget statements does not provide for all the different expenditure classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Expenditure in the budget statement.

Finance charges pertaining to employee related costs was budget as part of Employee Related Costs, but for GRAP purposes has been disclosed as Finance Charges. For budget comparison purposes, the actual finance charges shall be included as part of Employee Related Costs.

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis.

52.2 Statement of Financial Position

Adjustments to Original Budget

Adjustments to the original budget was mainly to align the amounts with the audit outcomes of 2017/18 and to accommodate any changes to revenue, operating and capital expenditure for the 2018/19 financial year.

Actual Amounts vs Final Budget

Cash and Call Investment Deposits were more than budget due to the following:

- underspending of both capital and operating budget
- a grant allocation received from Department of Water and Sanitation was not spent
- higher collections rates on debtors than anticipated
- fixed deposit reclassified from Investments to Cash due to it maturing in 2019/20

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

52 BUDGET COMPARISONS (CONTINUED)

Consumer Debtors were less than budget due to higher collection rates than anticipated.

Other Debtors were less than budget due to less fines issued than anticipated.

Investments were less than budget due to the fixed deposit which will mature in 2019/20 and therefore reclassified to Cash.

Property, Plant and Equipment was more than budget due to the reassessment of landfill site useful lives which resulted in a lower depreciation charge than expected.

Trade and Other Payables were more than budget due to unspent grant allocation from the Department of Water and Sanitation.

52.3 Statement of Financial Performance

Adjustments to Original Budget

Service Charges - Water Revenue was decreased as a result of water restrictions still applied during the course of the year.

Interest Earned - Outstanding Debtors was increased based on actual results of 2017/18.

Fines, Penalties and Forfeits was increased due to traffic fines which was based on actual results of 2017/18.

Transfer and Subsidies - Operational and Capital were increased due to the roll-over application of grants which approved.

Debt Impairment was increased as a result of the increase in fines.

Contracted Services and Other Expenditure were increased as a result of the roll-over application of grants which was approved.

Transfers Recognised - Capital was decreased due to a decrease in funding from Human Settlements.

Actual Amounts vs Final Budget

Service Charges - Water Revenue was more than budget due to the removal of water restrictions in the latter part of the year.

Fines, Penalties and Forfeits were less than budget due to less fines issued than anticipated.

Transfer and Subsidies - Operational and Capital were less than budget due to Housing funding not fully received.

Other Revenue was more than budget due to unforeseen Actuarial Gains.

Employee Related Costs were less than budget due to not all vacant positions filled.

Debt Impairment was less than budget due to less fines issued than anticipated.

Depreciation and Amortisation was less than budget due to the extension of the useful lives of landfill sites.

Other Material, Contracted Services and Other Expenditure were less than budget due to the Housing funding not fully received.

Contributed Assets were not budgeted for.

52.4 Cash Flow Statement

Adjustments to Original Budget

Service Charges were decreased in anticipation of the drought and also some consumers leaving the electricity grid.

Government was decreased due to a decrease in funding from Human Settlements

Suppliers and Employees was increase as a result of roll-over grant application approval.

Capital Asset payments was decreased as a result of decrease in funding from Human Settlements.

Actual Amounts vs Final Budget

Property rates, penalties & collection charges were more than budget due to aggressive collection strategy implemented.

Interest charged on outstanding debtors was budgeted as part of interest, but is included as part of services for GRAP disclosure.

Other Revenue was more than budget due to more monies received from other debtors than anticipated.

Suppliers and Employees was less than budget due to grant funding allocations not received.

Movement in Non-current assets were more than budget as the maturity of the investment was not taken into account with the budget.

Capital Asset payments was less than budget due to not all grant funding received.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

53.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	-	-
Unauthorised expenditure current year - operating	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	-
Unauthorised expenditure awaiting further action	-	-

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	2019 (Actual) R	2019 (Final Budget) R	2019 (Unauthorised) R	2018 (Unauthorised) R
Unauthorised expenditure - Operating				
Vote 1 - Budget and treasury office	60 011 185	60 385 993	-	-
Vote 2 - Community and social services	7 745 919	9 228 606	-	-
Vote 3 - Corporate services	57 064 764	80 344 140	-	-
Vote 4 - Electricity	77 098 591	77 189 149	-	-
Vote 5 - Environmental protection	243	99 143	-	-
Vote 6 - Executive and council	39 600 513	39 825 536	-	-
Vote 7 - Housing	17 800 316	46 469 081	-	-
Vote 8 - Planning and development	11 278 087	13 818 026	-	-
Vote 9 - Public safety	56 410 785	63 481 088	-	-
Vote 10 - Road transport	31 851 406	31 916 992	-	-
Vote 11 - Sport and recreation	9 459 352	10 508 167	-	-
Vote 12 - Waste management	42 927 709	53 057 203	-	-
Vote 13 - Waste water management	35 862 620	39 803 954	-	-
Vote 14 - Water	54 350 783	54 696 613	-	-
Total	501 462 273	580 823 691	-	-
Unauthorised expenditure - Capital				
Vote 1 - Budget and treasury office	23 809	26 594	-	-
Vote 2 - Community and social services	233 623	358 000	-	-
Vote 3 - Corporate services	4 989 500	5 040 397	-	-
Vote 4 - Electricity	4 696 301	5 005 092	-	-
Vote 5 - Environmental protection	-	-	-	-
Vote 6 - Executive and council	1 136 796	1 734 113	-	-
Vote 7 - Housing	11 112 451	18 085 032	-	-
Vote 8 - Planning and development	13 221 072	15 198 612	-	-
Vote 9 - Public safety	941 850	1 032 360	-	-
Vote 10 - Road transport	1 007 719	1 117 912	-	-
Vote 11 - Sport and recreation	825 703	1 600 000	-	-
Vote 12 - Waste management	12 046 232	12 046 232	-	-
Vote 13 - Waste water management	18 386 744	18 412 512	-	-
Vote 14 - Water	7 910 928	8 803 155	-	-
Total	76 532 726	88 460 011	-	-

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

53.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	-	-
Fruitless and wasteful expenditure incurred	-	-
Approved by Council	-	-
Fruitless and wasteful expenditure awaiting further action	-	-

Details of fruitless and wasteful expenditure incurred:

(a) None	-	-
Total	-	-

53.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	18 474 751	-
Opening balance correction - prior year error	(2 257)	-
Irregular expenditure incurred in the current year	18 747 854	1 475 664
Irregular expenditure incurred in the prior year but identified in the current year	82 537 923	17 377 200
Approved by Council	(19 367 541)	(378 113)
Irregular expenditure awaiting further action	100 390 730	18 474 751

Details of irregular expenditure incurred

(a) Supplier in the service of the state (EPWP Worker)	-	2 200
(b) Electrical services without a contract	-	60 269
(c) Hiring of 8 ablution facilities for the informal settlement, Madiba Park in Greyton	-	24 307
(d) Overpayment of Acting and Rural Allowances	-	291 337
(e) Non-compliance with Preferential Procurement Regulations 2017	45 000	836 528
(f) Deviations not considered to be impractical or exceptional circumstances	1 097 297	512 618
(g) Transacted with supplier in service of the state	18 004	
(h) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	77 947 155	
(i) Tender was advertised at a level 6 CE or higher instead of 7 CE or higher -tender awarded was above R13million, and not advertised for 30 days	5 435 719	
(j) Suppliers not sole suppliers, goods or services is/are available from other one supplier	16 742 602	
(k) Construction of facility deemed to be out of scope	-	17 125 605
Total	101 285 777	18 852 864

The prior year error relates to 2017/18's "Non-compliance with Preferential Procurement Regulations 2017" which was incorrectly recorded as R836 528 rather than R834 271.

Incidents/cases identified in the current year include:

(a) Supplier in the service of the state (EPWP Worker)	-	1
(b) Electrical services without a contract	-	1
(c) Hiring of 8 ablution facilities for the informal settlement, Madiba Park in Greyton	-	1
(d) Overpayment of Acting and Rural Allowances	-	1
(e) Non-compliance with Preferential Procurement Regulations 2017	1	10
(f) Deviations not considered to be impractical or exceptional circumstances	90	3
(g) Transacted with supplier in service of the state	1	
(h) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	1	1
(i) Tender was advertised at a level 6 CE or higher instead of 7 CE or higher -tender awarded was above R13million, and not advertised for 30 days	1	
(j) Suppliers not sole suppliers, goods or services is/are available from other one supplier	3	1
(k) Construction of facility deemed to be out of scope	-	1

No irregular expenditure incurred has been recovered.

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
54	MATERIAL LOSSES		
54.1	Water distribution losses		
	Kilo litres disinfected/purified/purchased	4 689 683	4 628 957
	Kilo litres sold and free basic services	3 922 752	3 777 463
		<hr/>	<hr/>
	Kilo litres lost during distribution	766 931	851 494
	Percentage lost during distribution	16.35%	18.39%
	Normal pipe bursts and field leakages are responsible for water losses.		
54.2	Electricity distribution losses		
	Units purchased (Kwh)	63 002 079	60 693 803
	Units sold, free basic services and standard friction losses	58 772 382	57 142 219
		<hr/>	<hr/>
	Units lost during distribution (Kwh)	4 229 697	3 551 584
	Percentage lost during distribution	6.71%	5.85%
55	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
55.1	SALGA Contributions [MFMA 125 (1)(b)]		
	Opening balance	-	-
	Expenditure incurred	2 161 943	1 805 529
	Payments	(2 161 943)	(1 805 529)
		<hr/>	<hr/>
	Payments in advance	-	-
		<hr/>	<hr/>
55.2	Audit Fees [MFMA 125 (1)(c)]		
	Opening balance	-	-
	Expenditure incurred	4 081 577	2 608 148
	External Audit - Auditor-General	4 081 577	2 608 148
	Payments	(4 081 577)	(2 608 148)
		<hr/>	<hr/>
	Outstanding Balance	-	-
		<hr/>	<hr/>
55.3	VAT [MFMA 125 (1)(c)]		
	Opening balance	4 789 818	(837 573)
	Net amount claimed/(declared) during the year	3 332 530	(988 615)
	Net amount paid/(received) during the year	(5 904 291)	6 616 006
		<hr/>	<hr/>
	Outstanding Balance Receivable/(Payable)	2 218 057	4 789 818
		<hr/>	<hr/>
	VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.		
55.4	PAYE, SDL and UIF [MFMA 125 (1)(c)]		
	Opening balance	-	-
	Payroll deductions and Council Contributions during the year	28 391 525	25 813 917
	Payments	(28 391 525)	(25 813 917)
		<hr/>	<hr/>
	Outstanding Balance	-	-
		<hr/>	<hr/>

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
55	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)		
55.5	Pension and Medical Aid Contributions [MFMA 125 (1)(c)]		
	Opening balance	-	-
	Payroll deductions and Council Contributions during the year	46 474 597	43 176 316
	Payments made to pension and medical fund	(46 474 597)	(43 176 316)
	Outstanding Balance	-	-
55.6	Councillors Arrear Accounts [MFMA 124 (1)(b)]		
	No Councillors had arrear accounts outstanding for more than 90 days during the year.		
55.7	Deviations from Supply Chain Management Regulations		
	Deviations from Supply Chain Management Regulations were identified on the following categories:		
	Section 36(1)(a)(i) - Emergencies	1 771 841	3 471 337
	Section 36(1)(a)(ii) - Single provider	8 334 518	3 482 540
	Section 36(1)(a)(iii) - Specialised services	-	-
	Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
	Section 36(1)(a)(v) - Impractical to follow official procurement process	24 015 110	21 091 716
	Total	34 121 470	28 045 593
	Deviations from Supply Chain Management Regulations can be allocated as follow:		
	MM Office	34 680	103 252
	Corporate Services	2 198 951	2 828 908
	Development Services	5 548 761	3 436 699
	Financial Services	6 440 665	3 347 312
	Technical Services	15 364 928	10 982 112
	Operations	4 533 485	7 347 310
	Total	34 121 470	28 045 593
	Deviations from Supply Chain Management Regulations were identified on the quotation/tender categories:		
	Less than R30 000	2 582 680	5 176 074
	Between R30 001 and R200 000	3 561 886	7 707 098
	Between R200 001 and R2 000 000	8 916 168	9 634 106
	More than R2 000 001	19 060 736	5 528 315
	Total	34 121 470	28 045 593
56	CAPITAL COMMITMENTS		
	Approved and contracted for	37 605 205	11 343 906
	Infrastructure	37 605 205	11 343 906
	This expenditure will be financed from:		
	External Loans	5 364 010	-
	Government Grants	28 156 681	10 780 810
	Own Resources	4 084 514	563 096
	Total	37 605 205	11 343 906
	Capital Commitments are disclosed exclusive of Value Added Tax (VAT).		

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

57 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

57.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	130 929 799	63 890 211
Current Investments	13 260 197	-
Receivables from exchange transactions	33 790 575	27 291 557
Unpaid Conditional Government Grants	-	4 625 423
Long-term Receivables	1 501	26 759
Non-current Investments	241 045	12 568 806
Total	178 223 118	108 402 756

Cash and Cash Equivalents

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be passed due.

Refer to note 3 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be passed due.

Also refer to note 3 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

The following service receivables are past due, but not impaired:

Electricity	1 280 452	1 040 386
Water	5 241 187	2 394 542
Refuse	1 520 398	1 058 648
Sewerage	1 355 956	1 595 280
Other	710 079	1 093 201
Rates (Statutory Receivable)	4 385 440	2 785 524
Total	14 493 512	9 967 580

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

57 FINANCIAL RISK MANAGEMENT (CONTINUED)

57.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial instruments of the Municipality is not directly exposed to any currency risk.

57.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	130 929 799	63 890 211
Long-term Liabilities (including current portion)	-	-
Net balance exposed	130 929 799	63 890 211

Potential effect of changes in interest rates on surplus and deficit for the year:

1% (2018 - 1%) increase in interest rates	1 309 298	638 902
0% (2018 - 0%) decrease in interest rates	-	-

South Africa is currently in an upward interest rate cycle and management does not foresee a decrease in the next 12 months.

57.4 Liquidity risk

Liquidity risk is the risk encountered by the Municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2019				
Annuity Loans	14 309 937	53 462 137	46 113 227	113 885 301
Stock Loans	2 553 815	7 266 669	17 116 487	26 936 971
Payables from exchange transactions	41 500 338	-	-	41 500 338
Total	58 364 090	60 728 806	63 229 714	182 322 609
30 JUNE 2018				
Annuity Loans	14 680 101	47 153 240	50 301 426	112 134 766
Stock Loans	1 598 596	8 462 064	18 474 906	28 535 567
Payables from exchange transactions	34 647 845	-	-	34 647 845
Total	50 926 541	55 615 304	68 776 332	175 318 177

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>	2019	2018
------------------------	------	------

57 FINANCIAL RISK MANAGEMENT (CONTINUED)

57.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The following balance is exposed to price risk:

Non-current Investments - Listed shares	241 045	216 096
---	---------	---------

58 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

Cash and Cash Equivalents	130 940 149	63 900 561
Receivables from Exchange transactions	33 790 575	27 291 557
Unpaid Conditional Government Grants	-	4 625 423
Long-term Receivables	1 501	26 759
Investments	13 260 197	12 352 710
Total	177 992 422	108 197 010

Financial Liabilities

Payables from exchange transactions	41 500 338	34 647 845
Long-Term Liabilities	90 166 429	87 199 787
Total	131 666 767	121 847 632

The Municipality recognised the following financial instruments at fair value:

Financial Assets

Investments	241 045	216 096
-------------	---------	---------

59 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:

Taxes	4 369 051	7 721 185
Receivables from Non-Exchange Transactions	15 197 585	15 021 362
Rates	9 809 391	8 261 155
Fines	5 388 194	6 760 207
Total	19 566 636	22 742 547

The amounts above are disclosed after any provision for impairment has been taken into account.

60 EVENTS AFTER REPORTING DATE

The Municipality had no significant events after reporting date.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

<i>Figures in Rand</i>		2019	2018
61	IN-KIND DONATIONS AND ASSISTANCE		
	Property, Plant and Equipment as per note 30 were donated to the Municipality.		
62	PRIVATE PUBLIC PARTNERSHIPS (PPP's)		
	The Municipality did not enter into any PPP's in the current and prior year.		
63	CONTINGENT LIABILITIES		
	The Municipality were exposed to the following contingent liabilities at year end:		
63.1	Overberg Water	-	4 132 692
	The Municipality has lodged a dispute in respect of the tariff charged by Overberg Water regarding a capital levy. This dispute has been referred to national Treasury in terms of section 44 of the Municipal Finance Management Act. A letter dated 20 August 2019 was received from Overberg Water indicating that the amount owing has been permanently revoked and suspended.		
64	FINANCIAL SUSTAINABILITY		
	Management is of the opinion that the Municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.		
	Financial Indicators		
	The current ratio increased to 1.68:1 from 1.41:1 in the prior year.		
	The Municipality have budgeted for a surplus of R47 254 590 for the 2019/2020 financial year and surpluses of R26 184 584 and R61 420 645 for the 2020/2021 and 2021/2022 years respectively.		
	Cash and Cash Equivalents have increased during the year.		
65	B-BBEE PERFORMANCE		
	Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.		
66	RELATED PARTIES		
66.1	Related Party Loans		
	There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.		
66.2	Compensation of management personnel		
	Remuneration of management personnel are disclosed in notes 36 and 37.		

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

Figures in Rand

2019

2018

66

RELATED PARTIES

66.3 Related Party Transactions

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.

	Rates	Service Charges	Other	Outstanding Balance
2019				
<u>Councillors</u>				
Papier K	2 040	15 986	-	1 349
Arendse JI	-	7 952	-	667
Nongxaza, R	-	7 288	-	-
Tshabe B	4 109	6 423	-	865
Sipunzi U		6 217	-	522
C November	2 583	10 251	-	1 161
Le Roux M	-	4 414	-	368
Mentile AN	-	6 083	-	507
Vosloo CJM	12 696	7 092	-	1 472
Mienies RL	487	9 771	-	857
Lampbrecht C	4 683	6 281	-	913
Du Toit D	22 853	7 464	-	2 466
Wood C	-	6 342	-	522
Plato-Mentoor M	3 451	3 026	-	890
Potberg SJ	143	2 269	-	-
Total	53 045	106 859	-	12 559

Municipal Manager and Section 57 Employees

None

2018

Councillors

Papier K	1 851	10 226	-	-
Arendse JI	476	7 207	-	-
November C	2 894	12 348	-	1 187
Tshabe B	4 609	5 457	-	931
Sipunzi U	140	5 363	-	452
Le Roux M	-	3 737	-	-
Mentile AN	-	5 291	-	441
Vosloo CJM	13 139	7 427	-	1 568
Mienies RL	1 505	7 150	-	862
Lampbrecht C	4 834	5 373	-	847
Appel DA	1 023	5 680	-	2 288
Du Toit D	22 793	7 836	-	2 443
Wood C	-	5 351	-	435
Plato-Mentoor M	3 200	6 298	-	825
Potberg SJ	547	10 053	-	5 224
Total	57 011	104 796	-	17 503

Municipal Manager and Section 57 Employees

None	-	-	-	-
Total	-	-	-	-

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

66 RELATED PARTIES (CONTINUED)

66.3 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

The following awards were made where immediate family members are in the service of the State:

Company	Relationship	Position of person in service of the state	2019	2018
Tano'Vera	Owner Tania Bippert is the domestic partner of Nino Hendrick	TWK Manager IT	261 427	348 642
Villiersdorp Security	Director Leon Vosloo is the spouse of Christina Johanna Maria Vosloo TWK Mayor and the father of Chrisme Vosloo	TWK H.R. Temp	208 811	481 990
Finck Attorneys	Owner Ronald Finck is the spouse Gail Finck	TWK Senior Clerk Clearances	123 104	7 500
Petrol & Diesel Enjin Sentrum	Owner Petrus Pretorius is the parent-in-law of Joanle Pretorius	TWK Chief Clerk	646 186	780 842
Marshall Armature Winding	Owner Gert Koegelenberg is the spouse of Martie Koegelenberg	TWK Councillor	-	120 102
Adenco Construction	Director Victor Machimana is the parent of Helen Machimana; Director Vuyo Machimana is the parent of Busisiwe Skosana and Director Daniel Jackson is the parent of Adele Kassner	Helen Machimana, Department of Welfare Limpopo Social Worker; Busisiwe Skosana, Department of Health Gauteng Nursing Sister and Adele Kassner, Department of Education Teacher	711 027	6 166 338
WAM Technology	Director Willem Botes is the spouse of Stella Botes and Maria le Roux is his daughter	Spouse - Department of Education Teacher Daughter - Employee at City of Cape Town (Manager of Coastal Engineering Department)	94 283	62 089
Masanda Trading CC	Owner Verinica Moos is the parent-in-law of Michelle Thomas	TWK Cashier	-	81 254
Aurecon SA - Professional Services	Parent of R Mehlala and Son of G Saaiman	R Mehlala, CFO: Eastern Cape Arts and Culture Council and G Saaiman, Auditor General	4 251 406	96 719
Safetech	Owner Elizma Goltz is the spouse of Ronald Micheal Goltz	Fireman by the City of Cape Town	13 500	24 824
S'Cees Coffee Shop	Owner Esmaralda Dreyer is the spouse of Neville Dreyer	Health Inspector by Overberg District Municipality	26 070	51 183
Fairbridges Attorneys	Director Waheeda Shreef is the spouse of Mohammed Jawodeen; Director Adela Petersen is the sister of Shaheed Hofmeester and Director Diane-Maree Rauch is the daughter-in-law of Henk Rauch	Mohammed Jawodeen, Non-Executive Director of the Central Energy Fund; Shaheed Hofmeester, a Teacher and Henk Rauch, Programme Manger at Petrosa.	462 925	420 261
Die Pienk Bicycle	Owner Dianne Phillips is the mother of Eben Phillips	Director at the Municipality of Knysna	-	8 250

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

66 RELATED PARTIES (CONTINUED)

66.3 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

Company	Relationship	Position of person in service of the state	2019	2018
Suid-Kaap Waardeerders	Owner Stephanus de Swardt is the spouse of Anna de Swardt	Professional Nurse at the Provincial Adminstration of Western Cape	639 779	987 960
River Transport (Pty) Ltd.	Owner Brendall Fullard is the son of Brenda Fullard and brother of Joan-Lee Fullard	Education Departmen Teacher and TWK Administrator	-	33 106
Carol-Ann Pedro Contractors	Owner Carol-Ann Pedro is the mother of Wingreen Pedro	TWK Records Clerk	-	61 369
NCC Environmental Services (Pty) Ltd	Director Linden Rhode is the spouse of Cahndre Rhode	Clerk at the City of Cape Town	103 500	-
Kemanzi	Director Hazel du Toit is the Spouse of Mr. J. du Toit	Inspector Driver's Licences at the CoCT	220 141	230 246
S.C. Martin	Owner Stanton Martin is the brother of Annielle Martin	TWK, Senior Administrator	-	27 170
Nova Civils (Pty) Ltd	Director Areal Andries is the fiance of Derrick Appel	TWK Councillor	-	189 824
JLA Logistics (Pty) Ltd	Director Janine Cupido is the cousin of Wingreen Pedro	TWK Records Clerk	159 332	393 892
FCR Abrahams	Owner Frank Abrahams is the spouse of Berdine Abrahams	TWK Debtors Clerk	118 544	25 761
Bergstan South Africa	Director Cobin Beukes is the spouse of Jacqueline Beukes	Social Worker	169 050	926 744
Swartland and West Coast Trading	Director Lize Marcus is the spouse of Heinrich Marcus	Department of Health Admin Clerk	-	7 200
Greyton Repairs	Owner Riaan Groenewald is the spouse of Gail Groenewald	TWK Principle Clerk	4 750	3 140
Sydney Amanzi Management Solutions	Member Sydney Armoed is the father of Eslin Armoed	Knysna Municipality Supervisor	133 381	79 883
Democratic Packaging	Director Leonard van der Heerden is the spouse of Victoria van der Heerden	Department of Education Teacher	19 458	130 587
Theunissen Catering and Supplies	Director Verity Theunissen is the mother or Kasandra and Renco Theunissen and the mother in law of Inge Theunissen; Director Ranver Theunissen is the brother of Kasandra and Renco Theunissen and the spouse of Inge Theunissen	Kasandra Theunissen, Department of Social Development Administrator; Renco Theunissen, TWK Administrator; Inge Theunissen, Assistant Director	4 225	16 920
Conlog (Pty) Ltd	Director Logandhren Moodley is the spouse of Nirvasha Moodley	Department of Health Director	109 724	28 556

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

66 RELATED PARTIES (CONTINUED)

66.3 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

Company	Relationship	Position of person in service of the state	2019	2018
Ikapa Reticulation and Flow	Director Randal Davids is the spouse of Sophia Davids	Department of Education Special Needs Teacher	-	26 058
Reginald du Plessis	Owner Reginald du Plessis is the spouse of Cerhal du Plessis and the son-in-law of Caroline Wood	Cerhal du Plessis, TWK General Worker; Caroline Wood, TWK Councillor	27 000	16 500
Bosman Smit Pretorius Inc	Owner Marriette Pretorius is the spouse of Gavin Brink	SAPS Police Officer	39 653	6 000
Temmo's Shade Ports and Cleaning Services (Pty) Ltd.	Director Rapelang Lebsana is the brother of Temoho Lesesana	Security - Transnet	-	6 000
Shyzac 01 Security Solutions & Maintenance	Director Bjorn Africa is the second cousin of Annielle Martin	TWK - Senior Administrator	150 359	6 000
Berry Bright	Director Nicole Buirman is the sister of Zane Nel-Gagiano and the spouse of CC Buirman; Director Nico Nel is the father of Zanne Nel	Zane Nel, TWK Deputy Director; CC Buirman, Policeman	34 960	6 000
Neil Lyners and Associates	Director Neil Lyners is the brother of HG Lyners	Department of Transport and Public Works - Director	1 360 241	6 000
Donmic Construction	Director Donovan Thomas is the spouse of Michelle Thomas	TWK - Cashier	552 598	6 000
Kreesan Investments	Director Kreesan Subramoney is the son of Sivalingum Subramoney and the brother of Kubeshnie Subramoney	Sivalingum Subramoney, Deputy Director; Kubeshnie Subramoney, Warden	143 800	6 000
Red Ant Security Relocation and Eviction Services (Pty) Ltd	Director: Buthi Lesiela is the spouse of Noxolo Lesiela, employee at Mogale City Local Municipality	Employee at Mogale City Local Municipality	129 000	-
Elgin Travel	Director: Deborah Smook is the spouse of Harold Smook, employee at Theewaterskloof Municipality	Temporary Professional Human Settlements	26 950	-
Work Dynamics (Pty) Ltd	The chairperson of the audit committee is the spouse of a Director at Work Dynamics (Pty) Ltd.		-	-
Total			10 945 183	11 876 912

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2019

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2018	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2019
<u>ANNUITY LOANS</u>							
DBSA BANK - 10 & 20 year	Loan No. 102807/1	10.74%	30/06/2028	6 420 224	-	(409 044)	6 011 180
DBSA BANK - 10 & 20 year	Loan No. 103108/1	11.44%	30/09/2028	7 562 393	-	(443 211)	7 119 182
ABSA BANK - 11 year	10858/1 (Electricity, Water, Sewerage)	11.14%	31/12/2018	109 276	-	(109 276)	-
ABSA BANK - 11 year	10858/2 (Sewerage)	11.14%	31/12/2018	16 707	-	(16 707)	-
DBSA BANK - 20 year	13343(Electricity)	16.50%	31/12/2019	45 167	-	(28 906)	16 261
DBSA BANK - 20 year	13705/102 (Electricity)	15.75%	30/06/2020	27 719	-	(12 811)	14 908
DBSA BANK - 20 year	103313.1	9.85%	31/03/2029	17 180 627	-	(922 308)	16 258 319
DBSA BANK - 15 year	103313.2	9.97%	31/03/2024	3 742 635	-	(482 250)	3 260 385
DBSA BANK - 10 year	103313.3	10.00%	31/03/2019	159 045	-	(159 045)	-
STANDARD BANK - 10 year	72479981	11.72%	31/07/2020	1 097 282	-	(401 844)	695 438
DBSA BANK - 20 year	103817/3	11.06%	31/12/2030	9 442 617	-	(378 174)	9 064 443
STANDARD BANK- 15 year	272400572	12.22%	30/06/2026	6 055 663	-	(482 166)	5 573 497
ABSA BANK - 15 year	40-7908-8994	10.79%	27/06/2027	9 086 656	-	(639 823)	8 446 833
ABSA BANK - 7 year	40-7908-9071	9.42%	27/06/2019	1 555 326	-	(1 555 326)	-
ABSA BANK - 7 year	8259-8788	8.25%	27/06/2019	68 962	-	(68 962)	-
ABSA BANK - 7 year	8259-9091	8.25%	27/06/2019	17 764	-	(17 764)	-
ABSA BANK - 7 year	8259-9741	8.25%	27/06/2019	109 593	-	(109 593)	-
ABSA BANK - 7 year	387230962	10.09%	21/06/2021	1 540 682	-	(463 992)	1 076 690
ABSA BANK - 10 year	387230963	10.63%	27/06/2024	5 938 480	-	(752 435)	5 186 045
ABSA - 5 year	3050777771	8.95%	30/06/2024	-	2 000 000	-	2 000 000
ABSA - 7 year	3050777789	9.19%	30/06/2026	-	2 500 000	-	2 500 000
ABSA - 10 year	3050777763	9.62%	30/06/2029	-	3 288 700	-	3 288 700
NEDBANK - 15 year	05/78310356050	10.45%	30/06/2034	-	2 631 579	-	2 631 579
Total Annuity Loans				70 176 818	10 420 279	(7 453 637)	73 143 460
<u>STOCK LOANS</u>							
DBSA BANK - 15 year	1022754	9.39%	31/03/2022	1 553 169	-	-	1 553 169
DBSA BANK - 20 year	1022755	9.29%	31/03/2027	8 469 800	-	-	8 469 800
DBSA BANK - 20 year	1014871	9.46%	31/12/2024	6 000 000	-	-	6 000 000
DBSA BANK - 15 year	1014872	9.77%	31/12/2019	1 000 000	-	-	1 000 000
Total Stock Loans				17 022 969	-	-	17 022 969
Total Long-Term Liabilities				87 199 787	10 420 279	(7 453 637)	90 166 429

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2019

	OPENING BALANCE R	GRANTS RECEIVED / (REPAID) R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	TRANSFER TO / (FROM) RECEIVABLES R	CLOSING BALANCE R
NATIONAL GOVERNMENT						
Equitable Share	-	87 385 000	(87 385 000)	-	-	-
Finance Management Grant (FMG)	-	1 700 000	(1 700 000)	-	-	-
Municipal Infrastructure Grant (MIG)	910 078	25 052 000	(3 903 557)	(22 023 712)	-	34 809
Expanded Public Works Programme (EPWP)	-	1 451 000	(1 451 000)	-	-	-
Integrated National Electrification Programme (INEP)	-	5 000 000	(48 858)	(325 719)	(4 625 423)	-
Municipal Drought Relieve (MDR)	248 016	-	-	(239 567)	-	8 449
Public Works	145 581	-	-	-	-	145 581
Water and Sanitation	-	28 919 000	-	-	-	28 919 000
Total	1 303 675	149 507 000	(94 488 415)	(22 588 998)	(4 625 423)	29 107 839
PROVINCIAL GOVERNMENT						
Housing	7 171 718	17 568 056	(10 658 777)	(11 112 451)	-	2 968 546
Housing - Title Deeds	6 415 742	862 176	(934 257)	-	-	6 343 661
CDW Contribution	37 467	-	(37 467)	-	-	-
Thusong Multi Purpose Centre	135 001	-	(64 408)	-	-	70 593
Main Roads Subsidy	51 481	117 000	(113 370)	-	-	55 111
Financial Support Grant	350 000	1 330 000	(1 211 187)	-	-	468 813
Library Subsidy	192 244	8 326 656	(7 822 594)	(233 623)	-	462 683
Municipal Capacity Building Grant	576 600	930 000	(336 461)	-	-	1 170 139
Local Government Graduate Internship Allocation	20 000	-	-	-	-	20 000
Municipal Disaster Recovery (Water Supply Grant)	569 425	-	-	-	-	569 425
Sport and Recreation	-	401 000	-	(376 298)	-	24 702
Total	15 519 678	29 534 889	(21 178 521)	(11 722 372)	-	12 153 673
OTHER GRANT PROVIDERS						
DBSA Local Economic Development	-	141 593	-	-	-	141 593
SETA	-	443 046	(443 046)	-	-	-
SANRAL	203 757	-	-	(29 807)	-	173 950
Economic Development	70 175	-	(5 280)	-	-	64 895
Total	273 932	584 639	(448 326)	(29 807)	-	380 438
ALL SPHERES OF GOVERNMENT	17 097 285	179 626 528	(116 115 262)	(34 341 177)	(4 625 423)	41 641 950

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
Financial Performance						
Property rates	100 604 060	-	100 604 060	101 759 520	1 155 460	98 144 521
Service charges	225 028 410	(2 694 810)	222 333 600	223 644 676	1 311 075	200 709 668
Investment revenue	6 158 600	-	6 158 600	10 457 261	4 298 661	8 258 086
Transfers recognised - operational	146 043 306	5 344 838	151 388 144	116 115 262	(35 272 882)	96 988 944
Other own revenue	54 839 943	26 434 660	81 274 603	90 597 364	9 322 761	78 203 438
Total Operating Revenue (excluding capital transfers)	532 674 319	29 084 688	561 759 007	542 574 083	(19 184 924)	482 304 656
Employee costs	201 997 634	59 128	202 056 762	192 825 882	(9 230 880)	181 044 060
Remuneration of councillors	12 179 060	-	12 179 060	11 706 906	(472 154)	11 538 787
Debt impairment	57 890 471	20 498 713	78 389 184	74 345 671	(4 043 513)	81 973 432
Depreciation and asset impairment	31 304 799	-	31 304 799	20 810 756	(10 494 043)	24 121 700
Finance charges	22 361 693	-	22 361 693	18 698 906	(3 662 787)	19 009 684
Bulk purchases	75 374 025	-	75 374 025	76 381 521	1 007 496	67 091 482
Other materials	61 848 990	(2 483 531)	59 365 459	-	(59 365 459)	-
Contracted services	44 695 270	9 218 356	53 913 626	38 237 575	(15 676 051)	30 579 325
Transfers and subsidies	232 260	114 367	346 627	2 642 281	2 295 654	2 476 180
Other expenditure	43 298 200	2 234 256	45 532 456	64 785 591	19 253 135	45 375 837
Loss on Disposal of PPE	-	-	-	1 027 163	1 027 163	2 358 925
Total Expenditure	551 182 402	29 641 289	580 823 691	501 462 252	(79 361 439)	465 569 413
Surplus/(Deficit)	(18 508 083)	(556 601)	(19 064 684)	41 111 831	60 176 515	16 735 243
Transfers recognised - capital	47 347 694	(4 609 335)	42 738 359	34 341 177	(8 397 182)	50 145 492
Contributed Assets	-	140 000	140 000	13 183 602	13 043 602	271 756
Surplus/(Deficit) for the year	28 839 611	(5 025 936)	23 813 675	88 636 610	64 822 935	67 152 491
Capital expenditure & funds sources						
Capital expenditure	78 755 666	9 704 345	88 460 011	76 532 726	(11 927 285)	87 213 990
Transfers recognised - capital	47 347 695	(4 609 335)	42 738 360	34 863 044	(7 875 316)	46 059 077
Public contributions & donations	-	15 301 142	15 301 142	13 213 409	(2 087 733)	-
Borrowing	10 420 279	3 724 535	14 144 814	13 694 993	(449 821)	26 260 822
Internally generated funds	20 987 692	(4 711 997)	16 275 695	14 761 281	(1 514 414)	14 894 090
Total sources of capital funds	78 755 666	9 704 345	88 460 011	76 532 726	(11 927 285)	87 213 990
Cash flows						
Net cash from (used) operating	53 731 181	5 073 669	58 804 850	127 655 818	68 850 968	95 334 652
Net cash from (used) investing	(78 754 305)	5 507 650	(73 246 655)	(63 501 224)	9 745 431	(87 570 973)
Net cash from (used) financing	2 247 264	2 945 002	5 192 266	2 884 994	(2 307 272)	(8 186 568)
Net Cash Movement for the year	(22 775 859)	13 526 321	(9 249 538)	67 039 588	76 289 126	(422 889)
Cash/cash equivalents at beginning of year	41 610 837	22 289 724	63 900 561	63 900 561	-	64 323 450
Cash/cash equivalents at the year end	18 834 978	35 816 045	54 651 023	130 940 149	76 289 126	63 900 561

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	1 130 000	329 383	1 459 383	640 642	(818 741)	1 152 512
Finance and administration	214 661 031	8 773 266	223 434 297	255 354 731	31 920 434	216 129 643
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	9 941 824	-	9 941 824	8 729 039	(1 212 785)	8 202 413
Sport and recreation	444 460	(60)	444 400	428 781	(15 619)	76 631
Public safety	-	-	-	-	-	-
Housing	61 255 000	(5 237 871)	56 017 129	22 705 485	(33 311 644)	16 858 419
Economic and environmental services						
Planning and development	2 557 780	(545 159)	2 012 621	2 746 484	733 863	3 374 303
Road transport	38 524 489	18 673 163	57 197 652	46 824 674	(10 372 978)	55 042 123
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	88 412 678	5 550 000	93 962 678	90 897 702	(3 064 976)	89 307 959
Water management	79 969 527	(4 993 759)	74 975 768	77 669 637	2 693 869	71 994 030
Waste water management	40 340 544	1 008 236	41 348 780	40 551 858	(796 922)	33 575 857
Waste management	42 784 680	1 058 154	43 842 834	43 549 828	(293 006)	37 008 013
Other	-	-	-	-	-	-
Total Revenue - Standard	580 022 013	24 615 353	604 637 366	590 098 861	(14 538 505)	532 721 903
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	20 851 298	2 078 523	22 929 821	21 410 419	(1 519 402)	19 171 657
Finance and administration	140 100 027	15 826 134	155 926 161	134 452 783	(21 473 378)	125 619 686
Internal audit	2 311 832	-	2 311 832	2 067 749	(244 083)	1 861 602
Community and public safety						
Community and social services	10 778 295	(307 341)	10 470 954	8 327 515	(2 143 439)	6 664 048
Sport and recreation	10 772 090	(263 923)	10 508 167	9 459 352	(1 048 815)	8 105 881
Public safety	3 239 194	60 000	3 299 194	2 557 587	(741 607)	2 605 151
Housing	43 587 556	2 881 525	46 469 081	17 800 316	(28 668 765)	6 457 727
Economic and environmental services						
Planning and development	10 854 972	660 921	11 515 893	9 239 054	(2 276 839)	9 582 490
Road transport	82 989 058	9 109 828	92 098 886	85 704 605	(6 394 281)	92 303 989
Environmental Protection	299 143	(200 000)	99 143	243	(98 900)	182
Trading services						
Energy sources	77 609 149	(420 000)	77 189 149	77 098 591	(90 558)	70 727 301
Water management	54 995 672	(299 059)	54 696 613	54 350 783	(345 830)	49 082 507
Waste water management	39 149 870	654 084	39 803 954	35 862 620	(3 941 334)	31 140 302
Waste management	53 118 966	(61 763)	53 057 203	42 927 709	(10 129 494)	42 099 037
Other	525 280	(77 640)	447 640	202 947	(244 693)	147 856
Total Expenditure - Standard	551 182 402	29 641 289	580 823 691	501 462 273	(79 361 418)	465 569 416
Surplus/(Deficit) for the year	28 839 611	(5 025 936)	23 813 675	88 636 588	64 822 913	67 152 487

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATE ^d OUTCOME 2018 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Budget and treasury office	187 973 218	6 663 566	194 636 784	224 793 268	30 156 484	188 134 735
Vote 2 - Community and social services	9 941 824	-	9 941 824	8 729 039	(1 212 785)	8 202 413
Vote 3 - Corporate services	26 687 813	2 109 700	28 797 513	30 561 463	1 763 950	27 994 909
Vote 4 - Electricity	88 412 678	5 550 000	93 962 678	90 897 702	(3 064 976)	89 307 959
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Executive and council	1 130 000	329 383	1 459 383	640 642	(818 741)	1 152 512
Vote 7 - Housing	61 255 000	(5 237 871)	56 017 129	22 705 485	(33 311 644)	16 858 419
Vote 8 - Planning and development	2 557 780	(545 159)	2 012 621	2 746 484	733 863	3 374 303
Vote 9 - Public safety	32 261 100	18 130 700	50 391 800	39 783 468	(10 608 332)	48 277 576
Vote 10 - Road transport	6 263 389	542 463	6 805 852	7 041 206	235 354	6 764 548
Vote 11 - Sport and recreation	444 460	(60)	444 400	428 781	(15 619)	76 631
Vote 12 - Waste management	42 784 680	1 058 154	43 842 834	43 549 828	(293 006)	37 008 013
Vote 13 - Waste water management	40 340 544	1 008 236	41 348 780	40 551 858	(796 922)	33 575 857
Vote 14 - Water	79 969 527	(4 993 759)	74 975 768	77 669 637	2 693 869	71 994 030
Total Revenue by Vote	580 022 013	24 615 353	604 637 366	590 098 861	(14 538 505)	532 721 905
EXPENDITURE						
Vote 1 - Budget and treasury office	46 719 280	13 666 713	60 385 993	60 011 185	(374 808)	53 541 038
Vote 2 - Community and social services	9 317 495	(88 889)	9 228 606	7 745 919	(1 482 687)	6 527 324
Vote 3 - Corporate services	78 085 282	2 258 858	80 344 140	57 064 764	(23 279 376)	55 135 274
Vote 4 - Electricity	77 609 149	(420 000)	77 189 149	77 098 591	(90 558)	70 727 301
Vote 5 - Environmental protection	299 143	(200 000)	99 143	243	(98 900)	182
Vote 6 - Executive and council	38 183 742	1 641 794	39 825 536	39 600 513	(225 023)	35 870 249
Vote 7 - Housing	43 587 556	2 881 525	46 469 081	17 800 316	(28 668 765)	6 457 727
Vote 8 - Planning and development	13 115 905	702 121	13 818 026	11 278 087	(2 539 939)	11 973 453
Vote 9 - Public safety	55 854 349	7 626 739	63 481 088	56 410 785	(7 070 303)	62 942 421
Vote 10 - Road transport	30 373 903	1 543 089	31 916 992	31 851 406	(65 586)	31 966 719
Vote 11 - Sport and recreation	10 772 090	(263 923)	10 508 167	9 459 352	(1 048 815)	8 105 881
Vote 12 - Waste management	53 118 966	(61 763)	53 057 203	42 927 709	(10 129 494)	42 099 037
Vote 13 - Waste water management	39 149 870	654 084	39 803 954	35 862 620	(3 941 334)	31 140 302
Vote 14 - Water	54 995 672	(299 059)	54 696 613	54 350 783	(345 830)	49 082 507
Total Expenditure by Vote	551 182 402	29 641 289	580 823 691	501 462 273	(79 361 418)	465 569 415
Surplus/(Deficit) for the year	28 839 611	(5 025 936)	23 813 675	88 636 588	64 822 913	67 152 490

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Property rates	100 604 060	-	100 604 060	101 759 520	1 155 460	98 144 521
Service charges - electricity revenue	85 711 895	1 050 000	86 761 895	87 577 448	815 553	79 874 319
Service charges - water revenue	72 707 943	(5 811 200)	66 896 743	72 368 259	5 471 516	63 784 303
Service charges - sanitation revenue	32 562 028	1 008 236	33 570 264	31 012 199	(2 558 065)	27 192 481
Service charges - refuse revenue	34 046 544	1 058 154	35 104 698	32 686 769	(2 417 929)	29 858 565
Rental of facilities and equipment	2 035 200	-	2 035 200	1 810 592	(224 608)	1 842 854
Interest earned - external investments	6 158 600	-	6 158 600	10 457 261	4 298 661	8 258 086
Interest earned - outstanding debtors	8 000 000	8 000 000	16 000 000	16 472 261	472 261	10 307 713
Fines, penalties and forfeits	32 119 060	18 156 940	50 276 000	41 308 076	(8 967 924)	48 235 143
Licences and permits	58 300	(26 300)	32 000	35 678	3 678	31 176
Agency services	6 146 389	402 463	6 548 852	6 898 029	349 177	6 674 076
Transfers recognised - operating	146 043 306	5 344 838	151 388 144	116 115 262	(35 272 882)	96 988 944
Other revenue	6 480 994	(98 443)	6 382 551	24 072 729	17 690 178	11 112 477
Total Revenue (excl capital transfers)	532 674 319	29 084 688	561 759 007	542 574 083	(19 184 924)	482 304 656
EXPENDITURE BY TYPE						
Employee related costs	201 997 634	59 128	202 056 762	192 825 882	(9 230 880)	181 044 060
Remuneration of councillors	12 179 060	-	12 179 060	11 706 906	(472 154)	11 538 787
Debt impairment	57 890 471	20 498 713	78 389 184	74 345 671	(4 043 513)	81 973 432
Depreciation & asset impairment	31 304 799	-	31 304 799	20 810 756	(10 494 043)	24 121 700
Finance charges	22 361 693	-	22 361 693	18 698 906	(3 662 787)	19 009 684
Bulk purchases	75 374 025	-	75 374 025	76 381 521	1 007 496	67 091 482
Other Materials	61 848 990	(2 483 531)	59 365 459	-	(59 365 459)	-
Contracted Services	44 695 270	9 218 356	53 913 626	38 237 575	(15 676 051)	30 579 325
Transfers and grants	232 260	114 367	346 627	2 642 281	2 295 654	2 476 180
Other expenditure	43 298 200	2 234 256	45 532 456	64 785 591	19 253 135	45 375 837
Loss on disposal of PPE	-	-	-	1 027 163	1 027 163	2 358 925
Total Expenditure	551 182 402	29 641 289	580 823 691	501 462 252	(79 361 439)	465 569 413
Surplus/(Deficit)	(18 508 083)	(556 601)	(19 064 684)	41 111 831	60 176 515	16 735 243
Transfers recognised - capital	47 347 694	(4 609 335)	42 738 359	34 341 177	(8 397 182)	50 145 492
Contributed Assets	-	140 000	140 000	13 183 602	13 043 602	271 756
Surplus/(Deficit) for the year	28 839 611	(5 025 936)	23 813 675	88 636 610	64 822 935	67 152 491

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Budget and treasury office	-	-	-	-	-	-
Vote 2 - Community and social services	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	165 000	-	165 000	145 864	(19 136)	3 642 453
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Executive and council	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-
Vote 8 - Planning and development	-	-	-	-	-	-
Vote 9 - Public safety	-	-	-	-	-	-
Vote 10 - Road transport	877 193	100 719	977 912	977 912	-	9 880 759
Vote 11 - Sport and recreation	-	-	-	-	-	-
Vote 12 - Waste management	-	-	-	-	-	-
Vote 13 - Waste water management	18 686 269	(273 757)	18 412 512	18 386 744	(25 768)	10 889 508
Vote 14 - Water	3 836 287	-	3 836 287	3 755 663	(80 624)	4 030 880
Total Multi-year expenditure	23 564 749	(173 038)	23 391 711	23 266 183	(125 528)	28 443 601
Single-year expenditure						
Vote 1 - Budget and treasury office	-	26 594	26 594	23 809	(2 785)	18 897
Vote 2 - Community and social services	358 000	-	358 000	233 623	(124 377)	421 142
Vote 3 - Corporate services	2 402 922	2 637 475	5 040 397	4 989 500	(50 897)	5 044 856
Vote 4 - Electricity	3 350 000	1 490 092	4 840 092	4 550 437	(289 655)	10 540 098
Vote 5 - Environmental protection	-	-	-	-	-	-
Vote 6 - Executive and council	3 745 815	(2 011 702)	1 734 113	1 136 796	(597 317)	1 224 201
Vote 7 - Housing	24 100 000	(6 014 968)	18 085 032	11 112 451	(6 972 581)	14 937 454
Vote 8 - Planning and development	-	15 198 612	15 198 612	13 221 072	(1 977 540)	17 408
Vote 9 - Public safety	6 300 000	(5 267 640)	1 032 360	941 850	(90 510)	400 767
Vote 10 - Road transport	100 000	40 000	140 000	29 807	(110 193)	583 872
Vote 11 - Sport and recreation	1 600 000	-	1 600 000	825 703	(774 297)	984 866
Vote 12 - Waste management	10 734 180	1 312 052	12 046 232	12 046 232	-	1 290 895
Vote 13 - Waste water management	-	-	-	-	-	1 818 282
Vote 14 - Water	2 500 000	2 466 868	4 966 868	4 155 265	(811 603)	21 487 648
Total Single-year expenditure	55 190 917	9 877 383	65 068 300	53 266 544	(11 801 757)	58 770 389
Total Capital Expenditure by Vote	78 755 666	9 704 345	88 460 011	76 532 726	(11 927 285)	87 213 990

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	-	-	-	-	-
Finance and administration	6 148 737	646 867	6 795 604	6 145 853	(649 751)	6 287 955
Internal audit	-	5 500	5 500	4 252	(1 248)	-
Community and public safety						
Community and social services	358 000	-	358 000	233 623	(124 377)	421 142
Sport and recreation	1 600 000	-	1 600 000	825 703	(774 297)	984 866
Public safety	-	-	-	-	-	-
Housing	24 100 000	(6 014 968)	18 085 032	11 112 451	(6 972 581)	14 937 454
Economic and environmental services						
Planning and development	-	15 198 612	15 198 612	13 221 072	(1 977 540)	17 408
Road transport	7 277 193	(5 126 921)	2 150 272	1 949 569	(200 703)	10 865 399
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	3 515 000	1 490 092	5 005 092	4 696 301	(308 791)	14 182 552
Water management	6 336 287	2 466 868	8 803 155	7 910 928	(892 227)	25 518 528
Waste water management	18 686 269	(273 757)	18 412 512	18 386 744	(25 768)	12 707 790
Waste management	10 734 180	1 312 052	12 046 232	12 046 232	-	1 290 895
Other	-	-	-	-	-	-
Total Capital Expenditure - Standard	78 755 666	9 704 345	88 460 011	76 532 726	(11 927 285)	87 213 990
CAPITAL EXPENDITURE (CONTINUED)						
FUNDING SOURCES						
National Government	22 488 695	836 208	23 324 903	23 140 673	(184 230)	28 973 640
Provincial Government	24 859 000	(5 445 543)	19 413 457	11 722 371	(7 691 086)	17 085 438
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
Transfers recognised - capital	47 347 695	(4 609 335)	42 738 360	34 863 044	(7 875 316)	46 059 077
Public contributions & donations	-	15 301 142	15 301 142	13 213 409	(2 087 733)	-
Borrowing	10 420 279	3 724 535	14 144 814	13 694 993	(449 821)	26 260 822
Internally generated funds	20 987 692	(4 711 997)	16 275 695	14 761 281	(1 514 414)	14 894 090
Total Capital Funding	78 755 666	9 704 345	88 460 011	76 532 726	(11 927 285)	87 213 990

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2019

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	87 112 332	(3 631 111)	83 481 220	100 519 945	17 038 725	93 424 697
Service charges	194 850 478	(10 358 120)	184 492 358	189 972 615	5 480 258	168 548 843
Other revenue	19 664 760	828 750	20 493 510	30 626 530	10 133 021	18 545 659
Government - operating	146 043 306	(4 854 046)	141 189 260	145 285 351	4 096 090	100 520 628
Government - capital	47 347 694	(7 534 389)	39 813 305	34 341 177	(5 472 128)	50 145 492
Interest	13 085 742	6 349 653	19 435 395	10 457 261	(8 978 134)	8 258 086
Payments						
Suppliers and employees	(441 357 893)	24 387 299	(416 970 594)	(372 222 155)	44 748 439	(332 056 303)
Finance charges	(12 782 977)	-	(12 782 977)	(8 682 626)	4 100 351	(9 576 269)
Transfers and grants	(232 260)	(114 367)	(346 627)	(2 642 281)	(2 295 654)	(2 476 180)
NET CASH FROM OPERATING ACTIVITIES	53 731 181	5 073 669	58 804 850	127 655 818	68 850 968	95 334 652
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	780 337	780 337	295 000
Decrease (increase) other non-current receivables	1 361	13 384	14 744	-	(947 181)	-
Decrease (increase) in non-current investments	-	-	-	(932 436)	-	(923 739)
Payments						
Capital assets	(78 755 666)	5 494 267	(73 261 399)	(63 349 124)	9 912 275	(86 942 234)
NET CASH USED IN INVESTING ACTIVITIES	(78 754 305)	5 507 650	(73 246 655)	(63 501 224)	9 745 431	(87 570 973)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	10 420 279	3 724 536	14 144 815	10 420 279	(3 724 536)	-
Increase (decrease) in consumer deposits	289 716	(7 265)	282 451	(81 648)	(364 099)	2 714
Payments						
Repayment of borrowing	(8 462 730)	(772 270)	(9 235 000)	(7 453 637)	1 781 363	(8 189 282)
NET CASH FROM FINANCING ACTIVITIES	2 247 264	2 945 002	5 192 266	2 884 994	(2 307 272)	(8 186 568)
NET INCREASE/ (DECREASE) IN CASH HELD	(22 775 859)	13 526 321	(9 249 538)	67 039 588	76 289 126	(422 889)
Cash/cash equivalents at the year begin:	41 610 837	22 289 724	63 900 561	63 900 561	-	64 323 450
Cash/cash equivalents at the year end:	18 834 978	35 816 045	54 651 023	130 940 149	76 289 126	63 900 561